

**NATIONAL HONEY BOARD
MEETING MINUTES**

PRESIDING: JILL CLARK, CHAIRPERSON

LOCATION: Clearwater, Florida

DATE: April 26th, 2018

National Honey Board Members Present: Jill Clark, Eric Wenger, Michelle Poulk, Andrew Sargeantson, Lisa Hansel, Blake Shook, Greg Olsen, Charlie Kocot, Doug Hauke

National Honey Board Alternates Present: Joe Sanroma, Tim Burlison

National Honey Board Absent: Valeri Severson

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

Others Present: Sue Coleman (USDA/AMS), Heather Pichelman (USDA/AMS), Laura Morin (Sterling Rice Group), Pat Masker (SRG)Don Ladhoff (FreshSmartSolutions), Keith Seiz (Arland Group), Andrea Schepke (Evans Hardy + Young), Linda Martin (Porter Novelli), Danielle Downey (Project Apis m), Alison Dasilva

THURSDAY, APRIL 26TH

CALL TO ORDER

The Thursday session of the National Honey Board meeting was convened at 8:03 a.m. by Jill Clark. Andrea Brening called the roll.

ACTION ITEM I SEATING OF ALTERNATES

Motion by Doug Hauke, seconded by Lisa Hansel and carried to approve seating of Joseph Sanroma for Valeri Severson

ACTION ITEM II TO ACCEPT THE AGENDA

Motion by Eric Wenger, seconded by Charlie Kocot and carried to approve the consent agenda

ACTION ITEM III CONSENT AGENDA

Motion by Lisa Hansel, seconded by Doug Hauke carried to approve the consent agenda & minutes

AMS PRESENTATION & SWEARING IN OF NEW BOARD MEMBERS

Jill Clark read the NHB Diversity policy to the board then explained that the policy is shared with the board annually. Also pointed out that the board is definitely more diverse than it has been in the past.

Sue Coleman began with Swearing in new NHB Board Members:

Eric Wenger
Doug Hauke
Greg Olsen
Tim Burleson
Mark Jensen
Mathias Leitner

Stating that the secretary of State has nominated you to the National Honey Board based on the recommendation of other members of the honey industry. All attending board members were then sworn in.

ORGANIC UPDATE

Sue Coleman than updated the board about the Organic rule. The comment time has been closed and they are under ex parte so they cannot say anything further. The decision was to make a separate R & P program to be paid to an organic assessment board and not the typical board. The proposal was to eliminate exemption status and people could select which board to pay assessments to. Proposed fee for organic was based on sales versus pounds. If this rule does not clear then the exemption rule will then continue. And this rule was based on the farm bill unless that law changes or expires. You can serve on any board that you pay assessments on. Michelle Poulk

asked if you pay on both boards can you serve on both boards? USDA was not sure and said they would check and get back to us.

The Organic Research, Promotion & Information Program proposed rule would assess certified domestic producers, certified handlers and importers of organic products. Producers and handlers with gross organic sales greater than \$250,000 for the previous marketing year will pay one tenth of one percent of net organic sales. Importers of organic products declaring a transaction value greater than \$250,000 for the prior marketing year will pay one tenth of one percent of the declared transaction value of organic products imported into the United States.

CHANGES TO ORDER & COMPLIANCE REVIEW

Final rule on changing the producer requirements from 150,000 to 50,000 for producers became effective April 1st, 2018. This action changed the following two sections in our order 1212.40 and 1212.520. Which is as follows:

(a) A late payment charge will be imposed on any first handler or importer who fails to make timely remittance to the Board of the total assessments for which they are liable. The late payment will be imposed on any assessments not received within 30 calendar days of the date when assessments are due. This one-time late payment charge will be 10 percent of the assessments due before interest charges have accrued.

(b) In addition to the late payment charge, $\frac{2}{3}$ of 1 percent per month (or an annual rate of 8 percent) interest on the outstanding balance, including any late payment and accrued interest, will be added to any accounts for which payment has not been received within 30 calendar days of the date when assessments are due. Interest will continue to accrue monthly until the outstanding balance is paid to the Board.

Coleman also noticed that our order does not have us as the National Honey Board but instead the Honey Packers and Importer Board and that also needs to be changed in the order to correct that. AMS/USDA issued notice of trade to advise how to be a board member and hopefully collect more nominees.

AMS review is scheduled for June 11-13, 2018 as required every 3 years.

Compliance case is currently being worked on by USDA but due to confidentiality Coleman can say no more than that.

Marketing communication guidelines are in place and Coleman will be working with the staff on those new changes.

End of March GAO issued a statement and there were 5 recommendations from this and NHB did comply with those guidelines. Another recommendation is in relation to the five audit assurances and they are working on that.

Heather Pichelman encouraged the board to reach out to her with any questions while she is here.

FINANCIAL UPDATE

Kelly Werning then began with her presentation by going over the most recent 2018 financial statements. She did a quick recap of what was previously sent to the board.

March 2018 Q1 discussing the balance sheet and total assets of 1.8 million dollars and liabilities of 50,225 and total net assets of 1.78 million. Net assessment revenue is trending slightly behind budget. Part of that is that we are running ahead on refunds for the year. Total revenue at \$1,430,179. Total expenses are looking high at this time but also because we are ahead on expenditures for the year and that should even out as the year proceeds. At the end of Q1, there were excess revenue expenses of - \$184,124?

Next Werning covered the Budget Amendments and how we ended 2017 really well and discussed adjustments made due to estimates for this year. These adjustments are based on the following:

- Revenue
- Program Expenditures
- General and Administrative Expenses
- Net Revenue & Carryovers
- Reserves

She touched briefly on the legal reserve due to our lease status on the old office and based on legal advice the reserve now is still set at \$250,000. We were told that legal action could still be pending based on the old office being re-rented determining what loss of income would actual be. As time goes by legal action seems less inevitable, but still unknown.

Poulk asked if there is a time limit on the NHB being sued and Lombard stated it is 7 years and we are a year into it. Hopefully after the old office is re-leased then hopefully

we can have more of comfort factor to release the funds back. Eric Wenger said he was in favor of maintaining this reserve through 2018. We had 4 years remaining on our old 7 year lease which also had no backup clause.

NHB BYLAWS & INTERNAL CONTROL POLICIES

Updates on NHB bylaws and internal control policies. Again these were previously sent

Change in the location of our town from Longmont to Frederick

Alcohol policy permitting employees to get reimbursed for up to two alcoholic beverages consumed with a meal for an employee traveling on NHB business. Hauke asked if this is standard with other boards. Coleman said some boards have it others don't, it is all over the board specific to each board and its policies. Boards can pretty much make any rules on it that they wish. Board members are not considered to be employees this only applies to staff. Last policy adjustment was specific for the board members attending board events allowing them up to 2 drinks.

COMPLIANCE

The Compliance program has been being worked on by Werning and Missy Boone Hall and they are currently working on a schedule to visit with some assessment payers and other possible businesses for this summer. They have been implementing a couple of new programs such as:

- Informational Questionnaire
- Compliance visit schedule
- Desktop Audit (still working out the details of this)

They are also exploring having external auditors conducting compliance audits, which then keeps NHB from appearing to be the bad guy.

REVIEW PROGRAM

NHB Performance Review Program is a new program that has just been launched. This is based on a more collaborative approach involving a self-review which sets goals and annual performance reviews. This encourages a dialog between the managers and the employee and consists of continuous meetings throughout the year. The NHB has

worked with an HR firm to create a form that employees will complete. This does not impact any employee performance issues, but is a tool created to encourage success for the employee and the NHB. This program also includes an annual performance review which also determines annual pay increases. This program does not include a numerical value but focuses more on goals and accomplishments.

ECOMMERCE

The Ecommerce program was discussed and how it is to help assessment payers do online payments of assessments. There is an online spreadsheet on this portal to help track your assessments throughout the month and will total out your assessments. There is a \$500 limit for credit card payments versus ACH payments which have no limit. Once ACH information is entered it is saved on the website and will make it easy for future payments. We hope to have this program go live this summer and are currently looking for volunteers to test this program.

Future goals for this programs include custom payments and to hopefully make it more automated which hopefully will also include organic refunds.

Lombard spoke about the independent program evaluation that is required to be done every 5 years by an outside source. Ron Ward is going to be doing this again for us as he has in the past. This is a requirement stemming from the farm bill and is a requirement for all boards.

AUDIT REVIEW

Barbara Clausen performed the audit review via a conference call starting at 9:32. She discussed the required review of the audit of the NHB. There is no disagreement between NHB and the auditors. The financials were audited and in their opinion is that the NHB is fair and just and there are no concerns as to the finances, management, internal controls and accounting policies. Clausen reviewed with the board the financials and findings of the audit which show the board to be compliant in all areas and there are no additional disclosures.

Clark asked for Clausen's opinion on the differences they've seen compared to past years in regards to our new accounting team. She said that they have found the audit to be very clean and easy this year and they are in favor of the changes that Werning

has implemented such as going to a modified accrual basis accounting system. They feel this is a much better way to track the financial status of the NHB.

ACTION ITEM IV AUDIT FINANCIALS

Motion by Doug Hauke, seconded by Michelle Poulk to accept the 2017 Audited Financial Statements and carried to accept.

MARKETING

Annual Report

Catherine Barry reviewed the 2017 Annual Report on the overview of the marketing programs. The roles and responsibilities of all the agencies has really grown and they are working more cohesively as an entire team focusing on joint messaging.

- Sterling Rice Group
- Porter Novelli
- Fresh Smart Solutions
- Brightly Creative
- In-House Consumer Marketing
- Brightly Creative
- Evans Hardy + Young

The agency strategy workshops have really been a monumental tool in bringing all our agencies together and working towards building future programs. It enables us to be prepared for possible issues management with key messaging. They have created a Strategic Plan to make sure everyone is working with the same goals in mind. It also serves as a road map for reference throughout the year and measurement of all our programs. The Key Performance Indicator Scorecard is a great tool to help measure the marketing programs and agency success. Shook asked if there is a way to measure each agencies progress and not just the overall industry progress and growth. Barry said the Ron Ward report will specifically look at the agency progress.

The Inaugural Honey Industry Summit is proving to be very successful and an informative tool for honey industry members. For 2018 we are expanding this summit to include a more robust content and more in-depth and will be open to 50 attendees instead of 25.

Honey.com URL purchase offer was received for 1MM from a consumer shopping tool, Joinhoney.com. After consulting with Porter Novelli on this issue and in-depth discussions we did decline the offer as we did not feel it was in the best interest of the National Honey Board.

Pat Masker with Sterling Rice Group spoke about Consumer insights and where there might be more revenue to gain. They have conducted deep dives into Natural Balancers and the morning occasion opportunity for growth.

Natural Balancers are a key element in growth of honey.

Key strategies are:

- Consumer Attitudes and Usage
- Retail Sales Data
- Honey Nutrition Label Testing
- Menu Tracking

Morning Occasion methodology is arrived at by determining how big is the market and how do we drive growth in this area.

Consumption of honey in the morning is \$454 million and 103 million pounds each morning. This accounts for 73% of all honey consumer on an annual basis.

There is huge potential of growth in the arena of morning occasion and the corner stone of this is the Natural Balancers and what they value. Honey has potential of \$140 million in additional shares among Natural balancers.

Beverages are also a huge opportunity of growth and coffee is a large part of this. Honey as a topping is $\frac{2}{3}$ volume usage versus $\frac{1}{3}$ as a sweetener.

Laura Moring with Sterling Rice Group reviewed the Two-Phase Methodology of increasing awareness and usage with Natural Balancers. First by asking questions of what does honey look like for natural balancers. First they try to eat really healthy and are mindful about food choices and balance. Mornings for them are described as organized chaos which follows a regimented routine in order to accomplish all that they do. Time is the biggest barrier while following strict timelines, hence making quick and convenient essential in their days.

Sweeteners are a large part of Natural Balancers breakfasts and beverages the largest percentage found in breakfast and morning and afternoon coffee/tea. 60% of them using honey often and usually in the morning. However they are looking to cut back on sweeteners to avoid the sugar crash, they generally don't view honey in this light but more as a natural source of energy. Lack of convenience or portability appears to be the biggest hindrance in using honey more frequently. Honey packets were a great hit with Natural Balancers.

They conducted a test asking people to replace the usual sweeteners with honey and 46% actually preferred honey to their normal sweeteners. They preferred the flavor and unique sweetness of honey. The result was that 2/3 of Natural Balancers said that they would be more likely use honey to replace their normal sweetener. The study also showed that consumers had a difficult time finding honey in the grocery store. They tended to look for it in the baking aisle as are other sweeteners and not in the jam aisle. If we can find a way to get honey out of the cupboards and out on the counter, honey usage will increase by improving top of mind awareness.

Sargeantson reiterated the following solutions:

- Cross marketing in the grocery aisles (Multiple locations/Displays)
- Developing nice ways to showcase honey on the counter tops with creative packaging

Retail Programs

Don Ladhoff began his presentation reviewing the Nielsen Honey category overview that shows honey continues to grow and pricing seems to have stabilized. Sales up 3.5% and volume growth up 5.7% and dollar growth up 4.2%. Ultimately honey is 10th in the fastest growing grocery department category.

Private label honey is growing versus branded. Organic share has grown 22.6% in 2017 compared to 4.3% for Non Organic honey. Organic raw was up even more.....Raw has value to consumers. Household honey penetration has continued to grow over the last 3 years.

Overall Neilson study shows promotional honey increased across the board and the 12oz size most responsive to promotions. 16oz sizes and bottles showed strong growth.

Lombard asked the board to fill out the US Honey Industry Economic survey with general information but not including actual financial information. This is just a draft.

Ladhoff continued speaking about the retail programs. The 2017 program ended well setting us for success for 2018. We have leveraged relevant brand partners to increase sale and inspire greater interest from Natural Balancers with moderate investment.

Quaker although it was considered to be a successful program opted to not do anything for 2018 with us as they are limiting the directions they are going.

September honey month on the retail level consisted of signage in front of Maxwell House, Celestial Seasonings, Skippy, Grape Nuts and Thomas. This increased awareness with consumers and showed the positive value of honey.

Honey coupon redemptions were not staggering and lower than the industry averages, but still got us noticed by consumers and increased sales.

In 2018 we are brewing up a strong partnership with Celestial Seasonings who is the #1 specialty tea brand and in brand awareness and leads the herbal tea category. This is a perfect pairing and has received a very positive reaction from retail buyers. This will include several different coupon promotions.

Thomas' promotional partnership continues to be a good with ad's, demos and display programs. We are still finalizing plans with several grocery store chains such as Albertsons, Safeway, Costco and Harris Teeter.

We are working with Post cereals and consumer brands with different coupon offers.

Consumer PR

Consumer PR update from Linda Martin with Porter Novelli recapped the 2017 program and gave an overview of what to look forward to in 2018. The goal here is to inspire the Natural Balancers to pull honey out on the counter and use honey more and more.

The 2017 consumer program had media coverage and social engagements that reached out to Natural Balancers in a variety of ways. The Hive-to-Table Virtual Reality experience was part of that endeavor.

Issues management continues to be an ongoing effort to keep honey in a positive light by being prepared with the following:

- Crisis Plan
- Industry eNewsletter
- Web and Social Efforts
- Readiness Plan

Other objectives focused on:

- Nutrition
- Digital strategy
- Sustainability program
- Bee Health

2018 starts with a communications platform to educate consumers and elevate honey usage through breakfast daypart. Leveraging and inspire honey usage with the versatility message.

Hive to Table Consumer Program focuses aspects:

Buzz Builders: Identify key influencers and engage their followers, media outreach, digital showcasing

Breakfast: Conduct and publicize a survey that explores breakfast as an essential part of the day and highlighting demand for natural quality ingredients.

Inspiration: Test kitchens, editorial calendars, media outreach, social platforms

Clark asked on issues rights side is there a way to put more correct information out there to highlight factual information and correct fictional incorrect information. Martin said they reach out to reporters and media to try and correct information but with mixed results. Porter Novelli is trying to get in front of these stories by working to get together with writers and reporters to try and educate them with the truth and facts.

In-House Marketing

In-House Consumer Marketing covered by Jessica Schindler who first mentioned that these programs give us a lot for our money because they are in-house.

Key learnings for 2018:

- Choose events geared to our target audience, Natural Balancers
- Focus on breakfast daypart
- Integrate honey bees and observation hives at events

-Look for events where honey can be the hero

Food Festivals are a great way to showcase honey and educate at events like Epcot International Flower and Garden Festival. This was an amazing event from so many aspects and was a great success and well received by visitors and the media.

Looking to the future we will be participating in several exciting events where the key market audience will be the Natural Balancers.

Denver Brunch Feast is in August and focuses on chef partnerships with honey and again attendees are Natural Balancers.

Seattle CoffeeCon is a great opportunity to do a coffee educational seminar and have a booth in the tasting area.

FNCE allows us to build on the momentum we gained in participating in this in 2017 connecting with RD's to provide information and education about honey. We are in the midst of determining exactly what we want to do.

Media Partnerships

Food network continues to be a great media placement for us in several different issues.

Also considering being involved in the Food Network: 10th Birthday Bash, but undecided at this point.

Recipe Development & Food Photography continues to be an essential part of all our programs.

Schindler briefly touched on the new collateral production pieces that have been created.

Social Media

Presented by Jocelyn Martinez who touched on the work we've done with Porter Novelli to align all the digital properties with the marketing strategies by creating an extensive social media audit and strategy plan.

Key findings focusing on getting higher engagement and not so much higher frequency. Natural Balancers want to see discussion-worthy, localized and mobile-friendly content.

We want to engage more through Facebook and YouTube as well as Instagram and Pinterest that Natural Balancers are more likely to utilize. Twitter tends to be more of a broadcast vehicle where we continue to educate but engaging is not so much the purpose.

Instagram is our primary platform for visual storytelling and community building and our Hero Platform.

SRG Specialty Coffee

SRG Specialty Coffee presentation by Laura Morin is a two phase project. The first phase being explore innovative opportunities. Phase two involves creation and evaluating and developing marketing plans. Leveraging and building on coffee trends and bringing them to foodservice, retail and Natural Balancers. Specialty coffees has a huge following focusing on unique coffees and there is a lot of innovation in this area. There is a huge push for finding ways to enhance the coffee experience, Honey being a hero in this process. Coffee and honey go together well because they elevate each other's flavor process and is impacted by the different varietals. Honey appeals to consumers desire for "real" with its good and healthy qualities.

The key points here are as follows:

1. Specialty Coffee is the hottest trend
2. Honey & Coffee the newest partnership
3. Real and Healthy
4. Tells a story

Creating an amazing portfolio of honey coffee recipes has been a fun endeavor. They also held an activation session with all the agencies to brainstorm on ideas across all marketing channels. Ideas derived during this session include the following:

- Pop Up Coffee Shop
- Trend Story
- Honey Coffee Summit
- Consumer Coffee Contest
- Heaven in a Box Coffee Delivery

Shook asked what the time line is for this program. Barry answered that some parts of it like Seattle CoffeeCon are in the works for 2018 and some may not be until more funds are available in 2019.

Food Service

Andrea Schepke with EH+Y spoke about the Food Service program and the key focus along with the other programs being coffee and breakfast.

They are seeing a trend by consumers wanting to see more ethnic flavors offered at breakfast. Applying the NHB strategic direction targeting Natural Balancers and volume commercial chains that appeal to influencers/independents.

2018 program highlights including the National Coffee Association Conference with a focus on specialty coffee trends and building contacts and engaging with attendees.

World of Flavor is a highly regarded influencer event where we had an NHB sponsored breakfast featuring the New Vietnamese Honey Ice Coffee and Honey-swirled Asian inspired porridge. Day 1 was a Latin based menu and the 2nd day was an Eastern Mediterranean inspired menu. Day 3 was in Indian Mash-up.

Recipe development and photography has been part of the focus creating items that promote the global breakfast concept.

Through Menuing and marketing they continue to look for opportunities to evaluate partnerships to promote coffee and breakfast/global breakfast. One element of this is with the U.S. Bartenders Guild Honey Workshops promoting regional honey cocktail sessions.

During National Honey Month they are working on special menu/promotions with select independents and target chains to drive more emphasis on honey.

Flavor Experience continues to be an excellent way to reach decision makers at the top chains and highlights new NHB recipe creations

Ingredient

Keith Seiz talked about the Ingredient Marketing program and the state of the industry. He feels there has never been more interest in honey and hence creating more competition in the sweetener industry.

Seiz goal is to get honey to the packaged goods manufacturers and this has kept him busy so far in 2018. Main categories for this are cold beverage, beer, RTE foods, cereal, breads and doughs and snack nutrition bars.

In regards to marketing, consumers want story, flavor and function that has an impact on what they are looking for health & wellness, experience, social impact, safety and as always price.

Trends that they seeing now are Natural sweeteners or no sweeteners at all. Innovation craze, but determining what will actually stay. In the beer industry breweries continue to increase despite flat sales volumes.

With all the work they have done this has really created a growth in all these categories and new honey products on a consistent basis.

Strengths and challenges in the food ingredient side are as follows.

Strengths:

- Consumer trends
- Honeys position and perception
- Network
- Knowledge base
- Success begets success

Challenges:

- Price
- Adulteration
- Competition from alternate sweeteners
- Sustainability and supply concerns
- Dietary: vegans, organic, GMOs

2017 highlights were topped by the continued success on building public relations as were the honey summits, all of which created great press. As always the key learning from all of this is first through Personal connections, followed up by several other items.

MISCELLANEOUS

The executive meeting tomorrow morning has been cancelled as there are no issues to discuss. Instead Clark suggested a meeting at 8:00 to discuss status of the strategic plan.

Joe Sanroma spoke briefly about some issues in Texas that threatens the beekeeping industry and the habitat for bees. An environmental assessment is needed to evaluate the impact of the Tallow Tree. They will need help with funding for this for a cost of \$25,000, plus \$2,500 for Peter Jenkins. They are therefore turning to the NHB to see if they could contribute research funds towards this. This could have a large impact on the honey assessments.

Doug Hauke spoke on behalf of AHPA about proposing the packer requirement from 250,000lb's to lower it 50,000lbs. This rule would require a consensus from the industry and determine what the recommend language would be, with a justification on the rule.

Meeting was adjourned at 5:05

FRIDAY, APRIL 27, 2018

The unofficial Friday session of the National Honey Board meeting was convened at 8:10 by Jill Clark, Andrea Brening.

Jill began by reviewing the four strategic plans established which are educate on honey, unify the industry, increase honey demand with consumers, foodservice, and ingredient channels, serve as the authority go to resource for all things honey..

Sargeantson thought that as a whole the board is doing a good job. Lisa Hansel commented that she is impressed by the board's activities and their focus on education and the materials we have available.

Jill asked from a beekeepers perspective do you think there has been more involvement from the board to promote. Hauke mentioned that he absolutely thinks there has been a change and that the honey board is like a shield around the entire honey industry. That the funding we receive is recognized for all the good it does all the way around for all aspects of the industry. Shook mentioned that there is definitely a group of beekeepers that thinks that the board is working against domestic beekeepers by being involved with supporting importers of honey. He doesn't feel there is enough understanding of all that we do that helps and protects domestic beekeepers. He would

like to see a way that we can reach more of those people to educate them maybe through webinars, speaking more at industry meetings and provide more information that promotes and helps more beekeepers in general. Hauke suggested that maybe we could host an annual industry summit with donations from the industry groups to help pay for it. This was a suggestion that also comes from AHPA as bringing the industry together beekeepers, packers and dealers. Shook mentioned that ABF would support this. This would be for 15,000 to 20,000 and would need to be for 2020 at the earliest. And planning would take about a year and need to be booked 2 years in advance. Laura Morin mentioned that the almond board also does this and yes it is a huge event and very beneficial for the industry. Attendees are charged a fee to attend. They have exhibitors and they also help fund this event. It is a great way to share information and initiatives and unites the industry organizations. Sargeantson agrees that even as an importer he would welcome the opportunity to attend something like this.

ACTION ITEM V

Motion by Eric Wenger, seconded by Andy Sargeantson to create an exploratory committee consisting of the beekeeping and packer organizations. Motion was carried to approve.

Clark asked if it should be just board members or different people from the organization. Hauke said he thought it would have to be open to the industry to make it happen and get support of it. ABF uses an event planning organization "Meeting Expectations"

Mark Jensen communicated by email that he likes what the Honey Board has been doing. Michelle Poulk mentioned that she appreciates Margaret Lombard's presence at honey conferences and task forces to represent the honey industry.

As board members do you feel like you should be doing more in the industry such as more traveling. Hauke said he likes that being on the board doesn't require a huge amount of time commitment as most everyone has jobs and limited time. Wenger thinks there should be more effort to reach the industry and beekeepers to educate them on all that we are doing. Maybe through a video that can be shared with many others. Shook said that beekeepers have not seen anything of this level by anyone in the industry and it would be helpful.

Clark thanked the board members for attending and sharing their thoughts. She definitely appreciates the new board members and the fresh input they bring.

SUGAR ADDED

Pat Masker with Sterling Rice Group spoke about the Nielsen report data in regards to the Sugar added labeling. She spoke about how the data was gathered.

They are working on determining how much sales and revenue might be lost with consumers due to this proposed change. She reviewed the label options suggested by the NHB and what the FDA is currently saying must be used. They are reviewing the impact each of these labels has on honey sales and revenue. SRG hopes to have this data back in a couple of weeks and will do a deep dive on this impact on honey as scientifically as possible. Hauke and Shook both stated that the NHB can only educate and do some research on this topic but beyond this it is up to the industry to go further with the FDA. This also not only affects the honey industry but also the agriculture industry as a whole and the honey and bee industry is already struggling with other issues. Burleson stated in dollars it impacts the industry as a whole and they should all go back to their industries and share the importance of this whole issue. Hansel asked if the honey board could come up with a letter or update to have the industry share with their retail contacts who are eager to be compliant with regulations that have a time frame provided by the USDA. We can provide a letter that is purely educational and states the current status of this situation.

ADULTERATION

Lombard then presented to the board information about adulteration and fake honey and the fact that we need to try and solve this issue. She said that we contacted the USDA and told them that we have a problem and that we needed their help. USDA came with several suggestions presented by Heather Pichelman along with other industry members and representatives.

1. USDA Process Verified Program
2. CID comments delay to May 15th
3. USDA Lab Testing Capabilities.

USDA Process Verified Program is a third party the USDA would administer this program and offers a solution to verify reputable business as being good honey. This program offers inspection and auditing. The industry is looking for industry preservation of identity. How would this be indicated on the products that it is USDA verified? Olsen asked how we begin to initiate and start up these programs.

There was discussion about how do we go about getting good information that will also come to the top when people are searching for information about adulterated honey. Wenger also asked what are we doing to deal with what adulterated honey is out there and that it is the FDA that has to deal with that.

If we do this research we have to understand that it could be made public. Is there any reason we should not do this? Burleson said that information is important but it could be inflammatory for the industry, similar to the Glycemic issue.

Wenger said maybe we should find out what the adulterated number is and then proceed from there.

Burleson suggested that maybe this is something the Honey Task Force should be looking into and then can be shared with the NHB. Limiting the FOYA issue and public exposure. We would have to first determine a good sample size and then test those maybe 300 samples at a possible cost of \$60,000. If the study is commissioned by someone else then the NHB can still site the information found as long as it is credible. Olsen asked how do you test the methodology of the test and is it approved by the NHB or the task force?

We are asking The Honey Task Force to put this issue on the agenda.

Lombard brought up having a lab in the USA similar to the Intertek lab that would be nonprofit and it would be run by the government. Roger Simonds with AMS needs to purchase the equipment and fill the database and is about a million dollar ask. Is the NHB board in favor of exploring this and is there an interest? Burleson spoke in reference to other labs that are similar and questioned if is this economical. Clark visited Rogers's lab and stated that she thought that he would be very competitive once he is set up. Would this lab be accepted by others in the industry as a valid testing lab for NMR????

FDA has provided an extension on the honey labeling guidance until June 15th when comments are due.

Lombard's meeting on Capitol Hill meeting with staff on added sugar research went well and had 17 people in attendance and they shared all the handouts and shared their research findings along with the maple industry. It all seems to have been well attend and of interest to many states and the impact that it will have on everyone and the industry.

SUSTAINABILITY STRATEGY

Alison Dasilva with Cone Communications presented in regards to the sustainability strategy and social impact. The agenda for them is to provide a unifying voice on sustainability for the industry. By determining what the issues are and what the landscape looks like. Part of this is by conducting stakeholder interviews with producers, manufacturers, packers. Three core issues are as follows:

1. Bee Health
2. Beekeeping
3. Improved environment
4. Importance of consumers as an audience
5. Retailers are important influencers

There is an overall desire for the NHB to be the go to resource for all aspects of the industry from beekeepers, packers and retailers. The goal for doing this is by supporting Bee Health, Championing Pure Honey and Nurturing the Planet.

NUTRITION RESEARCH

Linda Martin with Porter Novelli presented on Nutrition Research stating that first you must decide what the objective is and what the benefits of honey are and what outcomes do we hope to achieve by doing the following steps:

1. Research in the areas of antioxidant/anti-inflammatory, dietary patterns, stress management and digestive health.
2. Hold Scientific Research Workshops
3. Develop Health research platforms and launch nutrition research program, issue RFP and fund research
4. Identify 2018 lifestyle research opportunities

The research studies they have suggested have already been researched enough to feel like there are good results to be obtained that will be beneficial to the industry.

PROJECT APIS m

Danielle Downey provided an update on Production Research and the current status of research projects that we have partnered with them to fund. She started by explaining how important the bees are and providing a healthy environment for them to survive

6 million dollars' worth of research projects have been funded ranging in cost and currently they have funded close to 150 projects in a period of 10 years. She went through their website to show where the research projects we have funded can be found and where those results from those studies can be located.

They currently have 44 projects in the works. And a lot of these projects have far reaching impact on not only bees but also our agricultural environment.

In 2017 19 proposals were received and we actually helped fund 5 plus an additional 3. In 2018, 22 proposals were received and 7 funded. She then went on to talk about a few of those research projects.

Downey shared with the board how we can share the information and resources that are being gathered:

1. Clearinghouse for research and scholarships
2. Research Executive summary
3. Research Directory
4. Ongoing, regular updates of our efforts

ACTION ITEM VI

Motion by Doug Hauke, seconded by Charlie to accept the budget amendment and carried to approve.

Motion by Charlie Kocot, seconded by Doug Hauke to accept the change to the bylaws and internal controls and carried to approve.

Motion by Joe Sanroma, seconded by Blake Shook to Fund research on the effects of the Tallow Tree eradication and impact on the bee industry not to exceed \$24,000 and upon receipt of a written proposal and AMS approval as necessary and carried to accept.

Poulk brought up the fact there is a question of whether we are getting information out to the industry with updates on labeling in regards to 16grams????

NOMINATIONS

Chairperson: Eric Wenger

Vice-Chairperson: Michelle Poulk

Secretary/Treasurer: Charlie Kocot

ADJOURNMENT

Motion by Doug Hauke, seconded by Joe Sanroma to adjourn the meeting.

The meeting was adjourned at 12:15

Andrea Brening/Transcriber