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Description of document: Meeting minutes for the Honey Packers and Importers Board (National Honey Board) National Honey Board, 2008-2013

Requested date: 03-February-2014

Released date: 25-February-2014

Posted date: 10-March-2014

Source of document: USDA, Agricultural Marketing Service  
FOIA/PA Officer  
Rm 3521-S  
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In reply, please refer to  
FOIA No. 2014-AMS-01832-F

FEB 25 2014

This is in response to your Freedom of Information Act (FOIA) request received by the Agricultural Marketing Service (AMS) via email on February 3, 2014. You requested meeting minutes for the Honey Packers and Importers Board, also known as the National Honey Board. You requested this information for the period of 2008 to the present.

With this letter, I am providing you 113 pages in their entirety on a CD consisting of Honey Packers and Importers Board (also known as the National Honey Board) meeting minutes from 2008 to 2013.

Under the FOIA [5 U.S.C. § 552(a)(4)(A)], fees can be charged for search, review, and duplication of documents. However, because the cost of duplication for this request is less than \$25.00, there will be no charge for the information at this time.

You may appeal this action within 45 days from the date of this letter. Any such appeal should be in writing and be addressed to the Administrator, Agricultural Marketing Service, U.S. Department of Agriculture, 1400 Independence Avenue, S.W., South Building, Room 3071, Stop Code 0201, Washington, D.C. 20250-0201. If you decide to file an appeal, please provide specific reasons why you believe modifications of the initial action is warranted. To facilitate processing your appeal, the phrase "FOIA APPEAL" should be placed in capital letters on the front envelope.

Sincerely,

A handwritten signature in black ink, appearing to read "William D. Allen, IV".

William D. Allen, IV  
Acting AMS Freedom of Information Act Officer

Enclosures

## NATIONAL HONEY BOARD

### MEETING MINUTES

**PRESIDING:** BRENT BARKMAN, CHAIR

**LOCATION:** San Diego, California

**DATE:** April 9-10, 2013

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**National Honey Board Members Present:** Brent Barkman, Hans Boedeker, Nancy Gamber-Olcott, George Hansen, Mark Mammen, Candace Trussler, Zac Browning, Jill Clark, Mark Jensen

**National Honey Board Member Absent:** Charles Kocot

**National Honey Board Alternates Present:** Nicholas Sargeantson, Eric Wenger

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

**Others Present:** Kimberly Coy (USDA/AMS), Jerry Probst (consultant), Mary Anne Davitt (transcriber), Buddy Ashurst, Shirlee Ashurst, Tim Tucker, and Michelle Jones.

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#### TUESDAY, APRIL 9, 2013

The Tuesday session of the National Honey Board meeting was convened by Brent Barkman at 8:00 a.m. Andrea Brening called the roll.

#### ACTION ITEM I SEATING OF ALTERNATE

Motion by George Hansen, seconded by Nancy Gamber-Olcott and carried to seat Nick Sargeantson, Alternate for Charlie Kocot, in Kocot's absence.

#### ACTION ITEM II AGENDA

Brent Barkman asked for the addition of the following items to the agenda: a draft letter to the FDA concerning the definition of honey, and a credit card policy.

Motion by Nancy Gamber-Olcott, seconded by Mark Mammen and carried to approve the Agenda with the proposed additions.

#### ACTION ITEM III CONSENT AGENDA

Motion by Candace Trussler, seconded by George Hansen, and carried to approve the Consent Agenda.

## **DIVERSITY POLICY**

Brent Barkman summarized the history of the Board's Diversity Policy, which Bruce Boynton then read.

## **CODE OF ETHICS AND CONFLICT OF INTEREST STATEMENTS**

Barkman reminded Board members that the Code of Ethics and Conflict of Interest Statements must be signed by Board members annually. Board members who had not yet signed the Statement were asked to do so at this time.

## **AMS REPORT**

Kimberly Coy noted the change in AMS administrators, which has not yet been announced. She explained that the Sequester would not have much effect on the Board.

## **AMS ORIENTATION AND SWEARING IN OF NEW BOARD MEMBERS**

Coy conducted an orientation for new Board members, briefly reviewing the structure of USDA-AMS, the formation and history of commodity boards, the legal authority of USDA/AMS, and its responsibilities with respect to the Honey Board. She also reviewed Board member responsibilities and accountability. She then conducted the official swearing in of newly appointed members who were present, including Jill Clark, Nicholas Sargeantson, and George Hansen.

## **GENERAL CONSUMER PUBLIC RELATIONS**

Jessica Schindler introduced Shereen Mahnami and Alyson Barnes of the Ketchum Public Relations Agency, who then presented an overview of the objectives and strategies for the year. Details of various promotions were covered, including ads and educational unit on WebMD, educational segments with spokesperson Nurse Barb, a speed pitching event with media in New York, Supermarket outreach, plans to revise and redistribute The Story of Honey Multi-Media release, updating materials for First Birthday educational handouts for patients and specific practice groups within the Academy of Nutrition and Dietetics, creating and distributing a culinary video with chef David Guas, MAT releases, partnering with two or three blogger ambassadors, supporting minor league baseball activities with honey tailgates on game day with retail/radio partnerships and media tours with spokesperson Mitzi Dulan.

In response to questions about the various honey messages, Mahnami shared a Message Map document that was created last year by Ketchum and NHB staff with feedback from Board members.

## **FINANCIAL UPDATE**

Sam Butler discussed assessment revenues including the year-to-date actual versus budget amount for domestic & import assessments. He indicated that the trends for both continued as in the recent past (imports up, domestic down). Board members predicted an increase in imports this summer as a result of a slow start to the honey season in South America. Butler also pointed out that the NHB's cash position was

somewhat lower than past months due to two large non-recurring disbursements in March (minor-league baseball & fulfillment materials), and explained that the cash balance equals 1.3 months' reserve. In the compliance update, Butler reported that he has conducted seven reviews in 2012 at a total cost of \$4,127; no additional assessments were collected as a result of these reviews. In reporting on the 2012 financial audit, he indicated that all areas audited were successfully completed, with the auditors issuing an unqualified opinion.

## **CREDIT CARD LIMIT**

Bruce Boynton said that according to AMS Guidelines for credit card use, "Dollar limitations must be set unless an exception is approved by the Board and documented." Since American Express will not allow a dollar limit for the primary cardholder on our account, Boynton asked the Board to approve the exception in order to satisfy AMS guidelines.

### **ACTION ITEM IV CREDIT CARD LIMIT EXCEPTION**

Motion by George Hansen, seconded by Mark Jensen and carried to approve the exception to limits on the Board's American Express Card charges.

## **2012 Audited Financial Statements**

Copies of the audited financial statements and report were handed out to Board members and AMS. Via telephone, Barb Clausen, CPA, conducted a page-by-page review of the 2012 audited financial statements and answered questions from the Board.

### **ACTION ITEM V 2012 AUDITED FINANCIAL STATEMENTS**

Motion by George Hansen, seconded by Nancy Gamber-Olcott and carried to accept the 2012 audited financial statements.

## **MARKETING**

Jessica Schindler reviewed the Marketing Department's Social Media efforts that include facebook, Twitter, a blog, a monthly e-newsletter called the Honey Feast, a featured recipe, and Pinterest. Schindler noted that Pinterest is pushing traffic to Honey.com. She also reviewed planned 2013 activities by staff that included exhibiting at Blissdom to increase honey's visibility among the influential blogging community, exhibiting at the New York Baby Show to spread information about the First Birthday program and cough suppressing messaging, and a Satellite Media Tour Co-op to promote back-to school lunch ideas with honey. Staff also launched facebook ads, and will provide new promotional materials for tradeshow, conferences, program activities, website giveaways, and for fulfillment. The honeylocator website will also be updated to integrate it into the honey.com website design and layout.

## **Minor League Baseball**

Schindler explained the criteria a team must satisfy to qualify for NHB sponsorship, and listed the 2013 program's objectives and highlights.

### **Market Research**

Ketchum's Amy Kull reviewed the Consumer Use & Attitude Study conducted by Ketchum's Research Team, with a detailed look at its objectives, key findings and insights, and implications for program development.

To address implications for program development, Barkman asked Kull to share several program ideas that could be considered for 2014 and asked for Board member feedback and discussion. There were questions from Board members and interest expressed in the ideas and acquiring more information for further consideration later in the year.

Lunch: 12:00 – 1:30

### **Foodservice Public Relations**

Max Martens and Andrea Shepke of Evans Hardy & Young reviewed the plans for 2013. Programs and activities include a Honey Summit at the Culinary Institute of America, a Honey Summit partnership with Plate magazine, trade media outreach, sponsorship and participation at the Research Chefs Association Conference and Expo, a honey recipe contest for culinary students, and initiatives with the NHB Culinary Council. The agency will also pursue strategic partnerships with casual dining restaurant chains.

### **Ingredient/Baking**

Jessica Schindler presented the Food Ingredient Marketing Campaign Goals for 2013 and reviewed the various activities planned for this year. Planned activities include two Honey Summit Events, coverage of several food ingredient trade shows, placements in various food ingredient publications, creation of formulation videos that are advertised on The Baking Channel, development of sample food and beverage formulas, online advertising, and market research. Schindler also presented a brief summary of food and beverage trends for 2013 and beyond.

### **Proposed Addition To Website Q&A Section**

Bruce Boynton presented draft text that was prepared for the Board's review and consideration. The text, intended for the Q&A section on the website, was drafted to answer the question *Is raw honey more "nutritious" than processed or filtered honey?* Following Board discussion and suggestions, Boynton was asked to prepare a revised draft for consideration at tomorrow's session.

### **ACTION ITEM VI ASSESSMENT LEVEL**

Brent Barkman asked the Board's permission for the Assessment Level Ad Hoc Committee to continue pursuing support from industry groups for an assessment increase.

Motion by George Hansen, seconded by Nick Sargentson and carried to have the National Honey Board ask honey industry stakeholders for their support in raising assessments by one quarter of one cent (\$0.0025).

Kimberly Coy recommended starting now to prepare language for the assessment increase proposal, both for AMS review and for industry support, and offered to send the Board examples of rulemaking from other commodity boards.

### **Hispanic PR**

Schindler reviewed the Hispanic public relations program being directed by RL Public Relations. Campaigns for 2013 include: Honey, Your Portable Beauty Secret; Honey Adds a Golden Flavor to Your Celebration; Honey, Natural Energy for Back to School; and Winter Honey Flavors. Schindler reviewed the details and messaging of the various campaigns.

### **WEDNESDAY, APRIL 10, 2013**

The Wednesday session was convened at 9:08 a.m.

### **Proposed Addition To Website Q&A Section**

A revised draft of the proposed addition to the Q&A section of the NHB's website (discussed earlier in the meeting) was circulated for further consideration. Additional edits were suggested and agreed upon, and there was a consensus to approve placement of the information in the Q&A section of the website.

### **Review of Draft Letter to FDA**

Boynton distributed a draft letter prepared by attorney Anthony Pavel to the FDA stating that his client understands that filtered honey without pollen can correctly be labeled honey, and asking the FDA for a response if the agency does not agree. Zac Browning pointed out that the letter should reference the "definition of honey" rather than the "standard of identity". Other changes were suggested, along with questions for the attorney about the letter and its possible ramifications. Boynton will communicate the questions and suggestions to the attorney. When a revised draft is prepared by the attorney, Boynton will circulate it to the Board and to AMS for review and approval.

### **OPEN DISCUSSION**

Barkman invited open discussion on any other topics.

Boynton asked for feedback and suggestions on the meeting agenda and content. Several Board members offered constructive suggestions and comments to facilitate Board input and consideration of future direction.

### **ELECTION OF OFFICERS**

Boynton read the section of the bylaws pertaining to Board officer elections.

### **ACTION ITEM VII NOMINATIONS**

Motion by George Hansen, seconded by Hans Boedeker and carried to nominate the current officers for another term.

**ACTION ITEM VIII NOMINATIONS CLOSED**

Motion by George Hansen, seconded by Hans Boedeker and carried to close nominations.

**ACTION ITEM IX ELECTIONS**

Motion by George Hansen, seconded by Hans Boedeker and carried to cast a unanimous ballot to reelect the current officers for another term.

**NEXT BOARD MEETING**

There was a consensus to schedule the next Board meeting for October 22- 23, 2013 in Denver.

Brent Barkman expressed thanks to the staff for their hard work and special efforts for the Board meeting.

**ACTION ITEM X ADJOURNMENT**

Motion by Mark Mammen, seconded by Candace Trussler, and carried to adjourn.

The meeting was adjourned at 10:30 a.m.



## NATIONAL HONEY BOARD

### MEETING MINUTES

**PRESIDING:** BRENT BARKMAN, CHAIR

**LOCATION:** Denver, Colorado

**DATE:** October 16-17, 2012

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**National Honey Board Members Present:** Buddy Ashurst, Brent Barkman, Hans Boedeker, Nancy Gamber-Olcott, George Hansen, Mark Jensen, Mark Mammen, Elise Gagnon, Candace Trussler

**National Honey Board Member Absent:** Zac Browning

**National Honey Board Alternates Present:** Bonnie Woodworth, Dave Ellingson, Eric Wenger, Ilene Miller, Mathias Leitner, Ron Phipps

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

**Others Present:** Kimberly Coy (USDA/AMS), Jerry Probst (consultant) Mary Anne Davitt (transcriber), Michelle Jones, Pam Phipps

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**TUESDAY, OCTOBER 16, 2012**

#### **CALL TO ORDER**

The October 16, 2012 session was called to order at 8:00 a.m. by Chairman Brent Barkman.

Andrea Brening took roll as above.

#### **ACTION ITEM I SEATING OF ALTERNATE**

Motion by Mark Jensen, seconded by Hans Boedeker and carried to seat Dave Ellingson, Alternate for Zac Browning, in Browning's absence.

#### **ACTION ITEM II AGENDA APPROVAL**

Motion by Buddy Ashurst, seconded by George Hansen and carried to approve the Agenda.

#### **ACTION ITEM III CONSENT AGENDA**

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

## **AMS REPORT**

Kimberly Coy reported that Bob Keeney has retired and Chuck Parrot is the new Deputy Administrator of AMS' Fruit & Vegetable Program. Linda Leary is the new Associate Deputy Administrator. The nominations packet has moved forward for signature. She mentioned the management review of NHB that took place in June. Findings were mostly on policy updates to follow AMS' new Guidelines. Policies were being followed, but some still needed to be put in writing. A written report from AMS will be coming soon.

## **FINANCIAL REPORT**

Nancy Gamber-Olcott introduced the financial presentation. Sam Butler reported on revenues, noting that spending was within budget in all areas. He discussed the trend in assessments, the reserves and their importance, the procedures for the Board's accounting method, end-of-year allocations and encumbrances of remaining monies, and the legal restrictions governing Honey Board investments. He explained the projections for domestic and imported honey assessments and provided a compliance update, noting that no problems had been encountered in obtaining access to assessment payers' records.

Proposed 2013 Budget. Butler briefly reviewed the proposed 2013 Budget, and reviewed in detail the budget assumptions.

## **RESEARCH**

Jerry Probst presented an update on the development of honey adulteration testing methods by Adpen and Intertek.

### Intertek

Intertek's goal is to develop and validate simple, cost effective tests for the honey industry to verify whether a sample of honey has been adulterated with sugar syrup. Probst described Intertek's research and the technology it has developed in connection with testing, most notably the use of cavity ring down spectroscopy, a bench-top instrument with simple maintenance, produces more consistent results and calibration that is less expensive than mass spectroscopy. The project stayed on task and within budget. Hans Boedeker suggested meeting with the Intertek researchers at the January convention in San Diego, similar to a meeting of two years ago, to ask questions and explore options for next steps in this line of research. Boynton said he will follow up with Intertek to try and arrange the meeting.

Intertek has offered a discount to the industry for honey sample testing. Boynton reviewed the proposal and the price for the testing, and there was discussion about how to make this available to the industry. Boynton will ask Intertek to create a method to allow assessment payers to take advantage of the discount on a first-come-first served basis until the discount has been exhausted. Boynton will notify assessment-payers of the offer and its start date.

Elise Gagnon asked Probst to prepare a one page report for the Board, briefly summarizing the results of the Intertek research project.

### Adpen

Problems associated with this line of research were considered, and there was a consensus to not continue this project.

### ACTION ITEM IV ADPEN CHANGE ORDER

Motion by Dave Ellingson, seconded by Nancy Gamber-Olcott and carried to not approve the Adpen change order proposal.

### Honey Nutritional Analysis

Boynton stated that a draft copy of the report comparing the nutritional value of honey in its raw state and after heating and filtration had been sent to Dr. Kathy Beals for review and feedback. Dr. Beals will also look into getting the final report published.

### Proposed 2013 Research Budget

Boynton reviewed details of the line items in the proposed 2013 Research budget. The budget includes a provision for a required independent econometric study of NHB program effectiveness.

## **INDUSTRY SERVICES**

Proposed 2013 Industry Services Budget Boynton reviewed details of the line items in the proposed 2013 Industry Services budget. The budget includes money for crisis communications, fulfillment materials and overhead, and travel to the four annual meetings of industry associations. Fulfillment materials include a proposed update of a flip-file cookbook that was originally created in 2003, and a sample was passed around. Bonnie Woodworth said some beekeepers had lost touch with what the Honey Board was doing and wondered if presentations could be made to just a few of the state meetings. There was discussion about current practices for information dissemination and outreach.

## **MARKETING**

Catherine Barry introduced the marketing presentation topics and listed the key marketing messages of 2012, which included promoting honey as a pure, all-natural ingredient, and promoting honey as a versatile ingredient for culinary, wellness, beauty, and energy.

Social Media and In-House Activities Jessica Schindler reviewed the 2012 social media efforts including Facebook, Twitter and Pinterest. Other E-communications include *Straight from the Hive*, the Honey Board's blog about in-house programs, and *Honey Feast*, the monthly e-newsletter featuring honey-based recipes.

Schindler recapped the food blogger events Blog Her Conference and Camp BlogAway. Photography images have been developed for media distribution, and the Honey Board participated in a Satellite Media Tour.

2013 In-House Activities Schindler presented the proposed 2013 in-house activities. These include participation in BlissDom, an influential blogging community, a Satellite Media Tour, and exhibiting at the New York Baby Show. Ads will be created to reach all demographics on Facebook, and a variety of promotional items will be developed. Honey Locator.com is being integrated into the current website design. Barry noted that, while the total number of meetings with Honey Board participation is being reduced, specific activities within selected meetings are being expanded.

New Website Barry reported that the redesigned Honey Board website was launched in late September. The site is more interactive, especially the home page, benefits and recipe sections. The site fosters organic navigation and has revised information architecture to direct users to key messages and better serve audience segments.

2012 General Consumer PR Barry recapped 2012 activities which included an educational webinar, test kitchen seminars, partnerships with media and associations of healthcare professionals, and *The Story of Honey* multimedia release and press release were created to combat negative misconceptions about honey.

2013 General Consumer PR Barry went through the proposed activities for 2013, which include: a media event in conjunction with the NY Fancy Food Show in March, a video series with Chef David Guas, sponsoring a recipe challenge to create honey recipes replacing other sweeteners, producing two newspaper matte releases, enlisting two top-tier beauty bloggers, partnering with *DailyCandy* to host a sweepstakes, host a honey tailgate with a retail/radio partnership, a September TV and radio media tour with Mitzi Dulan, enlisting a healthcare spokesperson for the First Birthday messaging, revise and reprint the First Birthday patient education tear-pads, and continuing the dialogue and relationships with supermarket RD's.

Barry said additional marketing ideas were developed for consideration in case another \$250,000 was available for the marketing budget. Since we were able to include an additional \$250,000 in the marketing budget, she presented those options. They included 1) a product integration with WebMD to promote honey as a natural cough suppressant, 2) partnering with TV cooking shows, and 3) furthering distribution of *The Story of Honey* mini-documentary. Barry asked the Board for direction and whether they wanted to pursue the TV show integration which could run \$200,000 each. When asked, she said her recommendation was for the WebMD activity, with an estimated cost of \$165,000. She said the decision for now was to decide between the WebMD or the TV integration. After board discussion, Brent Barkman said he heard a consensus for the WebMD activity. Barry asked whether to apply the remaining \$85,000 left over from the \$250,000 or to save it. Barkman said there was a clear consensus for her to go forward with WebMD. Boynton suggested that budget amendments expected in early 2013 might allow us to consider the other options as well.

### Hispanic Public Relations

2012 Programs Jessica Schindler reported on the Board's Hispanic marketing programs. Programs included a Honey Fitness Challenge, with recipes and activities.

There were a variety of season-oriented programs and outreach to Hispanic mother bloggers.

2013 Hispanic PR Program Plans Plans for 2013 Hispanic PR include the promotion of honey as a portable beauty secret, honey-based finger foods and drinks for Cinco de Mayo, Mother's Day and International Day of Families, and honey as natural energy for back to school. Honey will be promoted as an energy source at the Zumba Instructor Convention, with an anticipated ripple effect. Additional grassroots events are planned for Miami and New York.

#### Minor League Baseball

2012 Programs Schindler reported on this year's program. Promotion activities included outdoor signage, honey trivia, a purchase incentive promotion, in-store promotions, discount redemptions, online exposure and impressions, the MiLB micro site, and fan surveys. The statistics for these programs were reviewed and interpreted. Schindler observed that the teams enjoy their National Honey Board sponsorship.

2013 Programs MiLB program objectives for 2013 were reviewed, and other sports event marketing opportunities, such as NASCAR and college sports, were considered. The marketing staff's recommendations and the list of prospective teams for 2013 were reviewed. Barry asked for Board feedback on sports marketing in general, and recommended continuing the MiLB program because of the effectiveness of its consumer outreach. There was a consensus to continue the MiLB program for another year.

#### Foodservice Public Relations

The 2012 activities were reviewed by Barry. Barry reported that a request for proposal for a food service public relations agency for 2013 had been circulated. As part of a periodic routine program evaluation, staff wanted to see what other agencies could offer. Out of 15 proposals, staff identified two finalists to meet with and present to staff in late October. Our current agency is one of the finalists. Barry presented the specific programs proposed by the two agencies. Each of the agencies will make a presentation to staff at the end of October, and a final selection will be made.

#### Ingredient Public Relations

2012 Programs Barry reported on this year's activities. These included marketing to the baking, food, beverage, and confectionery industries. Honey substitution research has been updated to include new sweeteners, and a comprehensive technical FAQ Answers database is in the works.

2013 Plans Barry said the focus will continue on interaction with audiences through in-person events and direct communications at meetings. New video content will be developed and the budget will be shifted to online platforms that promote the Made With Honey websites and the videos. New initiatives include an East Coast Honey Summit targeting 10-12 retail, specialty and commercial bakeries, in-person seminars at a processor's facility, developing 12 more videos on creating bakery foods with honey,

adding new formulas to the Baking with Honey guide, and maintaining a minor presence with print advertising targeting large food manufacturers.

#### Proposed 2013 Marketing Budget

Barry presented the proposed 2013 marketing budget of \$2,800,200. She reviewed a chart showing the percent change in budget from 2012 to 2013 for each of the marketing program budget areas, and explained the reasoning behind the proposed changes.

The Tuesday session ended at 5:00 p.m.

### **WEDNESDAY, OCTOBER 17, 2012**

The Wednesday session was convened at 9:01 a.m.

Neither Elise Gagnon nor her alternate were present at this session.

#### **ASSESSMENT INCREASE DISCUSSIONS**

Bruce Boynton reviewed the Issue Briefing concerning a one quarter of one cent (\$0.0025) increase in the National Honey Board assessment rate, explaining that consideration for a possible assessment increase was originally raised by an alternate board member at a previous meeting. Boynton presented ideas for the possible use of additional revenue for increased marketing activities. There was discussion and consensus among board members that board members would need to go to industry groups about this and make sure there was support before approaching the Secretary.

Kimberly Coy explained that the process would not require an industry vote or referendum, but would necessitate a rule change. There would be a 60-day comment period to a proposed rule, and the publishing of a final rule in the Federal Register. The process could take about six months or more, and there would be costs for publishing in the Federal Register. She said a request for a rate increase would have to be justified, and she confirmed the importance of ensuring industry support before submitting a request to the Secretary. She also suggested that the results of an econometric study, planned for 2013, could be helpful.

#### AD HOC COMMITTEE APPOINTED

Brent Barkman appointed an ad hoc committee to develop talking points for industry meetings and to gather and evaluate industry responses to the idea of an assessment rate increase. The ad hoc committee members include Mark Mammen, Nancy Gamber-Olcott, Candace Trussler, and Brent Barkman.

### **FDA POSITION ON HONEY WITHOUT POLLEN**

#### **ACTION ITEM V LETTER TO FDA**

Motion by Hans Boedeker, seconded by Dave Ellingson, and carried to instruct the National Honey Board attorney to prepare a letter to the FDA asking them to respond to

the statement that honey remains honey when the pollen is removed during processing

Boynton confirmed that the Board and AMS would have the opportunity to review the letter before it was sent by the attorney.

## **2013 BUDGET**

Brent Barkman asked if there were any questions or comments about the proposed 2013 budget before taking action on it. George Hansen asked if the marketing budget, if approved as is, will cover both the WebMD program and wider distribution of *The Story of Honey* MMR. Barry said the budget would cover both programs. Hansen also said he felt there was sameness in some of the activities in the marketing program, related to the use of blogs and social media.

Bruce Boynton said the proposed budget was based on conservative projections of assessment revenue. While overestimating revenue could result in having to cut programs that had taken agency and staff time to plan, the most recent revenue projection for 2012 indicated that assessments could likely reach \$4.175 million or higher. He said if the Board felt the 2013 budgeted assessment revenue of \$4.1 million was too conservative, the budgeted amount for assessment revenue and marketing expenses could easily be increased.

### **ACTION ITEM VI 2013 PROPOSED BUDGET**

Motion by George Hansen, seconded by Mark Mammen, and carried to accept the 2013 budget as proposed, with the following change: that the proposed budget revenue amount be increased by \$50,000 and that the marketing budget be increased by \$50,000.

## **OTHER BUSINESS**

### **ACTION ITEM VII OUTGOING BOARD MEMBERS**

Motion by George Hansen, seconded by Hans Boedeker, and carried to invite outgoing Board members to attend the next Board meeting for recognition.

### **ACTION ITEM VIII NEXT BOARD MEETING**

Motion by George Hansen, seconded by Candace Trussler, and carried to schedule the next National Honey Board meeting for April 9-10, 2013, in San Diego, CA.

Brent Barkman and Bruce Boynton expressed thanks to the Board and the Staff.

### **ACTION ITEM IX ADJOURNMENT**

Motion by Dave Ellingson, seconded by Nancy Gamber-Olcott, and carried to adjourn.

The meeting was adjourned at 10:03 a.m.

## NATIONAL HONEY BOARD

### MEETING MINUTES

**PRESIDING:** BUDDY ASHURST, CHAIR

**LOCATION:** Atlanta, Georgia

**DATE:** March 20-21, 2012

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**National Honey Board Members Present:** Buddy Ashurst, Brent Barkman, Hans Boedeker, Zac Browning, Nancy Gamber-Olcott, George Hansen, Mark Jensen, Mark Mammen, and Candace Trussler

**National Honey Board Member Absent:** Elise Gagnon

**National Honey Board Alternates Present:** Charles Kocot, Eric Wenger

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

**Others Present:** Kimberly Coy (USDA/AMS), Charles Parrott (USDA/AMS), Ardy Arani (Championship Group), Jerry Probst (consultant) and Mary Anne Davitt (transcriber).

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### TUESDAY, MARCH 20, 2012

#### CALL TO ORDER

The March 20, 2012 session was called to order at 8:00 a.m. by Chairman Buddy Ashurst. Bruce Boynton called the roll.

#### ACTION ITEM I SEATING OF ALTERNATE

Motion by Mark Mammen, seconded by Zac Browning and carried to seat Charles Kocot, Alternate, for Elise Gagnon, who is absent.

#### ACTION ITEM II CONSENT AGENDA

Motion by George Hansen, seconded by Hans Boedeker and carried to approve the Consent Agenda.

#### NHB DIVERSITY POLICY

Bruce Boynton read the National Honey Board's diversity policy and asked that the Board work toward its successful implementation.



## **AMS REPORT**

Kimberly Coy gave the AMS report noting that the Research & Promotion Program Division has merged with the Economic Analysis & Program Planning Division, now called the Promotion and Economic Division.

Charles Parrott mentioned the recent issue with the Christmas Tree program and some matters pertaining to the USDA.

## **NEW MEMBER ORIENTATION**

Kimberly Coy gave an orientation for new Board members. She reviewed the role of AMS, authority for the honey program, USDA oversight, board member responsibilities, and potential pitfalls to avoid. The newly-appointed Board members and alternates were called to the front of the room, where Coy administered the oath of office to them.

## **FINANCIAL REPORT**

Sam Butler presented the February financial statements, noting that import and domestic revenues were both strong. Assessments in general were discussed. Butler gave an update on compliance and number of compliance reviews conducted. The proposed budget amendments were introduced. Bruce Boynton explained some of the reasons for allocating additional funds to certain areas. Butler presented the assumptions for the proposed budget amendments.

## **RESEARCH**

Proposed Budget Amendment Bruce Boynton explained a proposed \$75,000 addition to the Research budget. An additional \$15,000 is proposed to be added to the production research budget because of the difference between 2011 anticipated vs. actual assessment revenue. An additional \$60,000 is proposed for a new research project. The project would analyze and compare the nutritional value of raw versus processed honey. Consultant David Ropa would coordinate the project.

### Honey Purity Tests

Adpen - Jerry Probst reported on the status of Adpen Lab's research. They ran into setbacks with the original proposed procedure but are trying to develop new methods from what was discovered. They may have found something to determine the presence of C3 sugars and other adulterants. The project is taking longer than anticipated and has cost the lab more than planned.

Intertek - Probst reported that Intertek has purchased new equipment and the research is on schedule.

Production Research - Boynton read a note from Clint Walker expressing appreciation to the Board for its funding of bee research projects. Boynton stated that five projects have been selected, leaving some funds still available for a possible sixth project.

## **INDUSTRY SERVICES**

Bruce Boynton explained the proposed budget amendment adding \$40,000 to the Industry Services budget. The increase will help fund Crisis Communications and Fulfillment Materials. In answer to a question by George Hansen, he explained that the flip-top cookbook was not scheduled for reprinting because of declining demand.

## **MARKETING**

Catherine Barry, Director of Marketing, introduced Jessica Schindler, Marketing Coordinator, and explained staff and agency responsibilities.

Review of Agencies Barry noted that the relationship with the Ketchum agency has been quite successful, as have those with RL Public Relations for the Hispanic market, Championship Group for sports marketing, Evans Hardy & Young for foodservice, and The Arland Group for the ingredient/baking industry.

2012 Marketing Messages The 2012 marketing messages include honey as a pure, all-natural product; honey as a versatile ingredient in the kitchen; honey's many benefits outside the kitchen; and honey's marketability and added value.

General Consumer Public Relations Barry presented planned activities for 2012. These include a cough suppressant education webinar featuring Dr. Ian Paul and Mitzi Dulan, several national magazine test kitchen seminars with chef David Guas, sponsoring a "how to" segment on Martha Stewart Living's Cooking School on radio, blogger beauty events at spas in the summer, a 2-city media tour supporting the Minor League Baseball program, a program to arm supermarket RD's with tools to spread honey messages to their customers, broadening the First Birthday program to the healthcare community and consumers, a news bureau and editorial calendar for ongoing coverage, and National Honey Month promotions including an online "find the honey bear" scavenger hunt.

Market Research Barry reviewed the methodology, objectives and results of the 2012 Usage and Attitude Study.

Hispanic PR Barry presented planned activities for 2012 Hispanic public relations. These include a honey fitness challenge with fitness expert Barbara Trujillo, working with a Latina makeup artist or spa owner to develop honey-based beauty recipes, promoting honey ice treats for summer, creating honey-based breakfast options and sweat breads, creating and promoting simple recipes for holiday entertaining, and ongoing media outreach.

Minor League Baseball Ardy Arani of the Championship Group reviewed the program objectives from the beginning and discussed plans for the 2012 season, including the teams and the planned promotion activities.

Lunch Break: 12 – 1:30

## **2011 AUDIT REPORT.**

The report of the 2011 audited financial statements was presented via telephone by Barb Clausen, CPA, of the Board's CPA firm CNE CPA's and Advisors P.C.

### **ACTION ITEM III AUDITED FINANCIAL STATEMENTS**

Moved by George Hansen, seconded by Candace Trussler and carried to accept the audit report as presented.

## **CODE OF ETHICS**

Bruce Boynton stated that according to AMS Guidelines, Board members must sign the Code of Ethics and Conflict of Interest every year. Copies of these were distributed for signature and the signed copies collected.

## **MARKETING (CONT.)**

Social Media The Marketing report continued with a presentation by Jessica Schindler on the social media programs. Goals and objectives were explained, and strategies discussed.

In-house Activities Schindler presented plans for 2012 activities to be conducted by staff. These included having a honey presence at a food blogger event called Camp BlogAway, sponsoring and promoting honey at the Blog Her conference in NYC, and creating new honey beauty photography.

Foodservice Public Relations. Schindler presented plans for 2012. Planned PR activities include a news bureau to share recipes, photography, foodservice applications, with a focus on more featured articles; attending the International Foodservice Editorial Council (IFEC), creating a Culinary Council as an informal advisory board of honey ambassadors, conducting a student recipe contest with the Culinary Institute of America (CIA), pursuing prospects from last year's NHB/CIA Honey Summit, establishing a strategic relationship with Women Chefs & Restaurateurs, continuing the Hot from the Hive e-newsletter, and developing and promoting a honey cocktail guide.

Baking and Ingredient Industry Trends Catherine Barry reviewed trends in the baking and ingredient industries. Current trends include natural foods, clean labels, whole/ancient grains, gluten free, and sweetener scrutiny. Portion control is the key to indulgence in the baking category. Consolidation continues in the wholesale segment, making room for specialty bakers to fill the void. Baking industry and snack industry new products were shown. In the snack food industry, the trend is for healthy snacking. Existing products are striving to be healthier, and new products are designed for health-conscious consumers. In the dairy industry, the yogurt boom shows no signs of slowing down. The milk category is being infused with new product introductions, led by honey milk and innovative packaged offerings. New products were shown in the dairy and candy industries. In the candy industry, the gum and mint segment continues to reduce or eliminate sugar. Premium candies are growing in popularity, creating an opportunity

for honey with higher-priced products. In the beverage industry, Jack Daniel's and Wild Turkey have launched honey varieties. Energy drinks are incorporating honey to maintain naturalness of products and capitalize on honey's energy-providing carbohydrates.

Baking and Ingredient Industry Public Relations 2012 Plans include positioning the National Honey Board as a technical resource for managers to incorporate honey into their products. The campaign will shift to more personal interactions; reduce the amount of print advertising and move to online advertising, focus on how-to videos; advertise on The Baking Channel and e-newsletter.

A Bakers Honey Summit is planned, with educational sessions, roundtable discussions and hands-on formulation demonstrations for 8-12 bakers. The goal is to have attendees launch new product lines made with honey.

The NHB will be represented at the Natural Products Expo West in March. The Honey Substitution Guide will be updated. A comprehensive list of the most frequent questions we receive from bakers about using honey will be developed, and will include comprehensive research-based answers.

2012 Marketing Budget and Proposed Allocations of Budget Amendments Barry explained the allocation of the marketing budget to the various marketing areas.

A proposed budget amendment would add \$125,000 to the marketing budget.

The General Consumer PR area would receive \$105,000 for a Multi Media Release project; Foodservice area would receive \$15,000 to create a Culinary Council; \$5,000 would be allocated to the In-House Activity area.

Barry explained the rationale behind the proposed Multi-Media Release, noting that Food Safety News articles have driven media pickup by influential blogs, online magazines and newspapers, and social media posts. Negative news and misinformation about honey is reaching a "tipping point" that requires a proactive approach. The program would issue both a traditional press release and a multi-media release (MMR) to tell "The Story of Honey". Phase I involves developing the messaging. Phase 2 is creation and distribution of "The Story of Honey". Ketchum estimates it will take 3-4 months to complete the MMR project. Chairman Ashurst asked Board members whether they approved of the proposed multi-media release project. There was consensus to proceed. Brent Barkman suggested that the budget was too small. Boynton said the Board would have the opportunity to review and approve the messages developed in Phase I. A suggestion was made to allocate all income above projections to the project.

Discussion on Increase In Assessment Level The potential benefits of an increase in the assessment rate were discussed. Kimberly Coy explained the rule-making logistics and recommended attaching a specific purpose to any proposal for an assessment increase. The assessment rate may not increase by more than \$0.0025 (1/4 cent) in any single fiscal year. A ¼ cent increase could result in another one million dollars a

year for research or promotion. Several people spoke in favor of an increase. Honey Board staff members were asked to develop proposals for the additional funds, which the Board could then take to the industry.

The Tuesday session concluded at 4:20 p.m.

### **WEDNESDAY, MARCH 21, 2012**

The Wednesday session was convened at 9:30 a.m.

#### **ACTION ITEM IV AMENDED BUDGET AND PROJECTS**

Moved by George Hansen, seconded by Mark Mammen and carried to approve the proposed amended budget and projects as presented.

#### **ACTION ITEM V EXECUTIVE DIRECTOR COMPENSATION**

Moved by George Hansen, seconded by Mark Mammen and carried to approve the Executive Session recommendations regarding the Executive Director's compensation.

#### **ACTION ITEM VI EXPENSES OF ALTERNATES**

Moved by George Hansen, seconded by Hans Boedeker and carried to have the Board pay the expenses of the alternates attending this Board meeting.

### **OPEN DISCUSSION**

Standard of Identity (SoI) George Hansen stated that ABF has given the SoI issue high priority. He suggested that the industry take a look at the language that was in the petition to be sure it's what they want. He felt this needs to happen fairly soon. Kimberly Coy reminded the Board that this issue can be discussed in terms of sharing information, but the discussion should not become a lobbying effort. Mark Jensen said that AHPA has been trying to get the FDA to come up with a standard of identity for honey to help deal with adulteration issues.

Pollen in Honey Buddy Ashurst asked if everyone supported the position that honey on grocery store shelves that didn't have pollen in it was still honey. He said the industry is in agreement that honey on the shelf without pollen is truly honey. George Hansen commented that consumers have a choice, and this needs to be resolved as a collective industry.

### **OFFICER ELECTIONS**

Bruce Boynton read the procedures for the election of officers.

#### ACTION ITEM VII ELECTION OF CHAIRMAN

Buddy Ashurst was nominated by George Hansen, but declined the nomination. Brent Barkman was nominated by George Hansen. There were no other nominations, and nominations were closed.

Moved by Zac Browning, seconded by Mark Jensen and carried to cast a unanimous ballot in favor of Brent Barkman.

#### ACTION ITEM VIII ELECTION OF VICE CHAIRMAN

George Hansen was nominated by Hans Boedeker; Mark Mammen was nominated by George Hansen. Mark Mammen was elected by secret ballot.

#### ACTION ITEM IX ELECTION OF SECRETARY/TREASURER

Nancy Gamber-Olcott was nominated by Mark Mammen.

Moved by Hans Boedeker, seconded by Zac Browning to close nominations.

Nancy Gamber-Olcott was elected by acclamation

#### **NEXT MEETING**

There was a consensus to hold the next Board meeting in Denver on Tuesday and Wednesday, October 16-17, 2012.

#### **ADJOURNMENT**

#### ACTION ITEM X ADJOURNMENT

Moved by Brent Barkman, seconded by Hans Boedeker and carried to adjourn.

The meeting was adjourned at 9:55 a.m.

## NATIONAL HONEY BOARD

### MEETING MINUTES

**PRESIDING:** BUDDY ASHURST, CHAIR

**LOCATION:** San Francisco, California

**DATE:** October 11-12, 2011

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**National Honey Board Members Present:** Buddy Ashurst, Brent Barkman, Hans Boedeker, Elise Gagnon, Nancy Gamber-Olcott, George Hansen, Mark Mammen, Candace Trussler, and Clint Walker

**National Honey Board Member Absent:** Zac Browning

**National Honey Board Alternates Present:** David Ellingson, Nick Sargeantson, Ilene Miller

**National Honey Board Staff Present:** Catherine Barry, Bruce Boynton, Andrea Brening, Sam Butler, Emily Manelius

**Others Present:** Kimberly Coy (USDA/AMS), Amy Kull (Ketchum PR), Shereen Mahnami (Ketchum PR), and Mary Anne Davitt (transcriber).

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**TUESDAY, OCTOBER 11, 2011**

#### CALL TO ORDER

The October 11, 2011 session was called to order at 8:14 by Chairman Buddy Ashurst. Andrea Brening called the roll.

#### ACTION ITEM I SEATING OF ALTERNATE

Motion by Candace Trussler, seconded by Brent Barkman and carried to seat Dave Ellingson, Alternate for Zac Browning who is absent.

#### ACTION ITEM II AGENDA

Motion by Mark Mammen, seconded by Hans Boedeker and carried to approve the Agenda.

#### ACTION ITEM III CONSENT AGENDA

Motion by Brent Barkman, seconded by Candace Trussler and carried to approve the Consent Agenda.

## **AMS REPORT**

Kimberly Coy gave the AMS report and discussed the status of the nominations package.

## **FINANCIAL REPORT**

Overview. Sam Butler presented an overview of the September financials. He discussed assessments in detail, noting that his projections for both import and domestic assessments for the balance of 2011 are conservative & show signs of improvement. An extensive discussion of assessments by the board followed, with a consensus view that improvement is possible, while the downside risk is minimal. Clint Walker suggested that whether assessments come from domestic or imported honey is not relevant; we should look at total demand and total assessments for our projections.

Compliance Program. Butler reviewed compliance activities for the year up to September 27, explaining various aspects of the compliance audits. In connection with questions that have been raised by companies facing audits about the Board's authority to conduct such audits, Kimberly Coy reaffirmed that the Board does have such authority and is encouraged to do so by AMS. The board indicated their satisfaction with the three-year history of audits & indicated their support of its continuation. There was discussion about statistical differences between the National Honey Report and the U.S. Customs Honey Fee Collections Report, and Butler stated that the Honey Board is working with Kimberly Coy and Customs to resolve those issues.

Budget Preview. Butler presented a line-item comparison of the proposed 2012 budget with the 2011 budget, with emphasis on budgeted revenue & administrative costs. He also indicated that details of focus area budgets would be presented in each area's board presentation later in the meeting.

## **RESEARCH**

Bruce Boynton said there is not much to report as far as the ongoing research projects are concerned. He noted that bee research projects are often delayed for various reasons, and final reports are sent out to the Board as soon as we get them.

Honey Purity Tests – Adpen and Intertek. Jerry Probst reported on the status of the ongoing projects at Adpen and Intertek labs. The Adpen project has gone beyond the estimated time and costs to the lab. They are not asking the NHB for more money, and Probst said he still expects them to develop something. The Intertek project is somewhat behind due to delays in equipment deliveries, but they have run 170 samples through. George Hansen asked if our costs will increase. Jerry said nothing about money was mentioned in the reports. Boynton noted we have a contract with each lab for a set dollar amount.

Research Budget. Boynton presented the proposed 2012 Research budget with comparison to the 2011 budget. The budget includes nearly \$217,000 for bee research. This is 5% of the budgeted 3.9 million in assessment revenue, plus about \$22,000 from the 2011 bee research budget that was not used. However, several of the new bee



research projects started this year will extend into 2012 and will require payments out of the 2012 budget. That will leave about \$177,000 available for new projects. We've already put the word out that research proposals will be accepted until December 15<sup>th</sup>. We plan to make selections by late January.

There was discussion on the requirement to spend 5% of our revenues on production research. Boynton said the requirement was to spend 5 percent of our anticipated revenue from assessments on production research. Clint Walker asked how AMS would respond to lower or higher spending. Kimberly Coy said AMS understands that there can be fluctuations, and that they look at the intent of the industry. Hans Boedeker asked how much this research has actually helped the industry. George Hansen said it adds important information to the database, but we don't have silver bullets coming out of this or research by other groups. The research is published in various articles. Our studies are posted on the Honey Board's website.

Boynton briefly discussed the market research budget and responded to questions. A Use & Attitude study is planned for early 2012. Brent Barkman asked how it would be correlated to our past market research. Boynton said we will look at the past studies while we develop the new study to be sure we gain information that is useful. Catherine Barry said we look at how consumers are using honey and look for any changes.

We'll again monitor retail sales data through AC Nielsen. The ongoing project with Intertek will require \$39,700 in 2012.

We use various consultants for Scientific Counsel, honey technical support and food technology support. We've increased the budget for food technology consulting in 2012, with plans to make greater use of food technology support in the ingredient and baking sector with our agency, The Arland Group. The overall budget for scientific counsel and consulting is therefore increased to \$30,000 for 2012.

A project started this year on the glycemic effect of honey on humans will extend into mid 2012. \$22,000 will be carried forward from the 2011 budget for final payment, so no new money needs to be included in the 2012 budget.

## **INDUSTRY SERVICES**

Fulfillment Materials. Andrea Brening presented two new hang tags created by the Marketing department, and stated that several existing brochures were being reprinted.

HoneyOne Logo Decal. Brening showed a new decal, designed for use on honey industry vehicles or signs. Boynton said the proposal was to give up to six decals for free to anyone in the honey industry, and charge for additional decals. Suggestions were made for distributing the decals and encouraging industry use. George Hansen suggested sending sample decals to the state beekeeping associations. Clint Walker suggested encouraging people to send in pictures showing how they used the decals. George Hansen suggested that smaller versions be made as well.

2012 Industry Services Budget. Boynton reviewed the proposed Industry Services budget compared to the 2011 budget.

George Hansen said the ABF has asked for a statement from the NHB on the GMO issue. Boynton agreed that the Honey Board's current statement in our Readiness Plan probably needs review and updating. Buddy Ashurst said we could take this up tomorrow under "Other Business."

## **MARKETING**

Catherine Barry presented the proposed Marketing budget, reviewed the 2011 Marketing programs and discussed the plans for 2012. Planned In-House activities for 2012 include co-op satellite media tours, Camp Blogaway, and the IDEA World Fitness Convention. Emily Manelius reviewed Social media plans that included contests and giveaways to spread our messages in a fun and interactive way.

General Consumer Public Relations. Amy Kull and Shereen Mahnami, from Ketchum Inc., recapped the firm's 2011 work that was based on the 2011 goals, which were to increase awareness of pure honey as one ingredient, to increase awareness of honey's versatility for food, health, beauty, fitness, energy, and to position the National Honey Board as the leading resource for information about honey.

They outlined their plans for 2012, listing the objectives, strategies and target audiences. The objectives are to increase awareness that pure honey contains only one ingredient: honey; to promote the versatility of honey for food, health, beauty, fitness and energy; and to position the National Honey Board as a valuable resource for honey-related information. The primary target audience is women/moms 30+. The secondary target audience is men and women 18 -25.

Activities planned for 2012 include:

- National magazine test kitchen seminars with Chef David Guas.
- Martha Stewart Living Radio product integration.
- Blogger Spa educational events and lunches for top beauty media and bloggers.
- Minor League Baseball media tour with Mitzi Dulan.
- Honey as a cough suppressant - educational webinar
- Reach supermarket and media RD's to arm them with tools to spread honey messages to their customers.
- Broadening the "First Birthday" message to the healthcare community and consumers.
- Engage consumers through social media, and providing Facebook and Twitter strategic counsel and assistance.

Amy and Shereen presented a timeline for 2012 that showed when the various activities would take place during the year.

Hispanic Marketing Activities. Barry reviewed the 2011 Hispanic marketing events and outlined the plans for the 2012 Hispanic program activities. Activities or pitches planned for 2012 include:

- Honey Fitness Challenge, collaborating with key media outlets, reporters and bloggers.
- Kick off summer with an ice cold honey treat. Leverage real Hispanic flavored shaved ice carts in key markets. Develop honey-infused recipes with authentic Latino flavors.
- Leverage National Breakfast Month and National Honey Month in September and encourage consumers to celebrate breakfast with honey. Work with a Latino baker to develop honey-based breakfast options and traditional sweet breads.
- Promote five-ingredient, easy and quick appetizer and party snack recipes.
- Picture Perfect on Your Big Day: Leverage honey as a natural skin moisturizer that will keep skin glowing throughout the planning period and all the way through the celebration (wedding, *quinceanera* or prom).

Minor League Baseball. Barry reviewed elements of the 2011 Minor League Baseball program. The program communicated various messages directly to fans and their families. The messages expanded awareness for honey and the honey.com website. The program also provided a call-to-action for consumers to purchase honey through the ticket and merchandise discounts. Barry presented a list of teams that are under consideration for the 2012 program.

Foodservice PR. Emily Manelius recapped the 2011 Foodservice marketing program and previewed plans for 2012, which include:

- Ongoing outreach to the media to create relationships with key media.
- Attending IFEC to liaise with media, influencers and pitch honey-focused stories.
- Bolster our photography of select, existing NHB recipes.
- Hot from the Hive e-newsletter: Building on 2011 successes.
- Develop a honey cocktail guide for foodservice industry targets.
- Women Chefs & Restaurateurs annual conference: Build on 2011 partnership/sponsorship.

- Collaborate with the Culinary Institute of America to implement a honey recipe contest on its campuses.
- Target sit-down, casual restaurant chains. Work with chain operations on honey recipes/menuing and promotional opportunities.

Ingredient PR. Emily Manelius reviewed the 2011 programs and handed out a copy of the 2011 Bakery Survey results. She presented plans for 2012, and said the focus will be for our agency to seek out leading food and beverage manufacturers to work directly with them on using honey in a variety of products. We'll maintain a presence in dairy and candy segments by developing interactive content with significant focus on public relations and building a solid base of technical research. We'll lay the groundwork in the beverage industry by launching public relations and online efforts. Plans for 2012 include:

- Reduced print advertising in the retail baking industry. Focus on the wholesale baking industry through Baking & Snack magazine.
- Online advertising through The Baking Channel.
- Continue public relations with magazine/online editors to obtain positive coverage.
- Promote original content on BakingWithHoney.com to industry magazines and websites.
- Continue developing content for Made with Honey websites with a focus on bakery/manufacturer profiles, research/formulation ideas and new products.
- Continue sending monthly e-newsletter with a greater content focus on formulas, profiles and "how-to" information.
- Launch "Frequently Asked Questions" on each website that address common questions bakers have when using honey.
- Launch BeveragesWithHoney.com to build honey's presence in the beverage market.
- Bolster NHB's technical assistance capabilities by working with food technology consultants/specialists.
- Launch inaugural Baker's Honey Summit, a full-day seminar to provide 8-12 industry leading bakers with a comprehensive education track, hands-on formulation demonstration, and an industry roundtable session.
- Attend Natural Products Expo West/Healthy Baking Seminar in Anaheim, CA (March, 2012).

GMO Discussion. There was general discussion of GMO-related issues and implications. Bruce Boynton read the Honey Board's Readiness Plan statement on GMOs.

The Tuesday, October 11, session ended at 3:27 p.m. Afterwards, the Board visited the San Francisco office of Ketchum Inc. and toured the Ketchum test kitchen.

## **WEDNESDAY, OCTOBER 12, 2011**

The Wednesday session was convened at 9:10 a.m.

### **CRISIS MANAGEMENT 101**

Sean Fitzgerald, Partner and Managing Director of Ketchum Inc., provided a handout to the Board and gave a presentation on The Changing Media Landscape. He explained Ketchum's recommendations in recent months regarding news articles aimed at the honey industry and answered questions.

### **2012 BUDGET**

Sam Butler briefly discussed the proposed budget and asked for questions.

### **ACTION ITEM IV 2012 BUDGET APPROVAL**

Motion by Dave Ellingson, seconded by Brent Barkman and carried to approve the proposed 2012 Budget as presented.

### **OTHER BUSINESS**

AC Nielsen. The value of paying for AC Nielsen retail sales data in the NHB's Minor League Baseball markets was discussed. Catherine Barry noted that AC Nielsen retail data is not the best measurement tool because it does not include big box stores like Costco, Walmart, and farmers markets. The value of incomplete retail sales data as a measurement tool for the program was questioned. There was a brief discussion about how to capture information to measure whether the NHB programs are working. Boynton commented that this is a challenge for many commodity boards. There was a consensus to not continue gathering AC Nielsen retail sales data as a measurement tool in the NHB's Minor League baseball markets.

HoneyOne Logo. Catherine Barry had asked whether the Board wanted promotions to use primarily the Honey Board's logo or the HoneyOne logo. There was a consensus to continue focusing on the HoneyOne logo and to make HoneyOne tools available to the industry.

GMO Statement. Boynton read a statement drafted by George Hansen on honey and GMO issues. It was well received. Boynton will send it out to the Board after the meeting to allow time for thoughtful input. A new or revised GMO statement will be part of the internal readiness plan.

Intertech and Adpen. Buddy Ashurst asked Jerry Probst if he would provided a written proposal to the Board to explain the benefits of a suggested visit to Intertek and to Adpen, and if the results of his visits could be communicated to the Board with a written report. Jerry explained his concerns about the ongoing research, questions he had, and explained that the visits and discussions he would have with the researchers would be in the best interests of the Board. Jerry said he could provide a written proposal by the end of next week.

Assessments. Nick Sargeantson asked if any consideration had been given to increasing the one cent per-pound assessment. There were general questions about why this might be needed and ways this might be accomplished. Boynton read from section 1212.52(g) of the Order. Kimberly Coy said the Board would have to provide a reason for any requested increase, and she would check into the required process and report back to us. There was a consensus to include the topic on the next Board meeting's agenda, and to approach industry meetings to allow opinions or dissent to be expressed.

## **NEXT MEETING**

The date and location for the next meeting were discussed and settled.

## **ACTION ITEM V NEXT MEETING**

Motion by Clint Walker, seconded by Dave Ellingson, and carried to hold the next National Honey Board meeting on Tuesday and Wednesday, March 20-21, 2012, in Atlanta, GA.

## **ADJOURNMENT**

There being no other business, the meeting was adjourned by Chairman Ashurst at 10:40 a.m.

**NATIONAL HONEY BOARD**

**MEETING MINUTES**

**PRESIDING:** BUDDY ASHURST, CHAIR

**LOCATION:** Denver, Colorado

**DATE:** February 24-25, 2011

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**National Honey Board Members Present:** Buddy Ashurst, Brent Barkman, Zac Browning, Nancy Gamber-Olcott, George Hansen, Mark Mammen, Candace Trussler, and Clint Walker

**National Honey Board Members Absent:** Hans Boedeker, Elise Gagnon

**National Honey Board Alternates Present:** Jim Phillips

**National Honey Board Staff Present:** Bruce Boynton, Catherine Barry, Emily Manelius, Sam Butler, Andrea Brening, David Fenske, Marlys Christason.

**Others Present:** Kimberly Coy (USDA/AMS), Linda Eatherton (Ketchum PR), Amy Kull (Ketchum PR), Mary Naud (CNE CPA's & Advisors PC), Kelly Gorbold (CNE CPA's & Advisors PC), Keith Seiz (The Arland Group), and Mary Anne Davitt (transcriber).

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**THURSDAY, FEBRUARY 24, 2011**

**CALL TO ORDER**

The February 2011 meeting of the National Honey Board (NHB) was called to order by Chairman Buddy Ashurst at 7:58 a.m. Bruce Boynton called the roll.

Visitors and guests were introduced.

**ACTION ITEM I AGENDA**

Motion by Clint Walker, seconded by Mark Mammen and carried to approve the Agenda.

**ACTION ITEM II CONSENT AGENDA**

Motion by Nancy Gamber-Olcott, seconded by Zac Browning and carried to approve the Consent Agenda.

## **DIVERSITY POLICY**

Bruce Boynton read the Board's diversity policy, noting that, as per AMS guidelines, the policy is to be communicated to the Board annually. Boynton and Ashurst asked Board members to work for its successful implementation.

Ashurst commented that the industry is changing rapidly, and that this Board's promotion of honey is important, and we need to zero in on a purity test for honey.

## **AMS REPORT**

Kimberly Coy, the USDA AMS representative to the Board, welcomed new Board members and presented an orientation for new Board members. She briefly covered the purpose of AMS and its commodity promotion programs oversight responsibilities. She reviewed the Honey Board's legal authority through the Generic Act of 1996, her own responsibilities and activities with respect to the Board, Board appointments, the diversity policy, and Board responsibilities and accountability. Coy named the new Board appointments and swore in the new Board members and Alternates who were present, including Zac Browning, Candace Trussler, Brent Barkman, and Mark Mammen.

Coy discussed AMS's difficulty discerning industry intent about the priority ranking of nominees. When the organizations submitting nominees do not indicate the first and second choices for nominees, AMS must put the names in alphabetical order when they submit the package to the Secretary of Agriculture. Coy also explained that nominees do not need to be members of the nominating organization. Ashurst asked Coy to provide a written document explaining the need for a system to indicate the organizations' nominee ranking, with a note that nominees need not be members of these organizations, and asking the organizations to work together, and to send this document to both organizations for discussion.

## **FINANCIAL REPORT**

Sam Butler, CFO, presented the January 31, 2011 financials, gave a compliance update, and reviewed the amended budget. Butler also answered questions about the compliance process including the use of subpoenas if needed. In answer to questions, Butler said he does not audit import assessments as those are collected by U.S. Customs and sent to the Board each month.

Annual Audit. Mary Naud and Kelly Gorbald from CNE CPAs & Advisors PC, the Board's CPA firm, reviewed the Annual Audit Report in detail.

Clint Walker asked about the fund balance relative to the revenues.

## **ACTION ITEM III AUDIT REPORT**

Motion by Nancy Gamber-Olcott, seconded by Mark Mammen and carried to accept the Audit Report as presented.



## **MARKETING**

Mark Mammen commended the Marketing staff on their handling of the transitions in the department and ad agencies.

Catherine Barry, Acting Director of Marketing, gave an overview of the marketing presentation, staff assignments, overall Marketing budget and agencies.

### In-House Activities

Barry detailed the 2011 Events and Promotions Calendar for In-House activities to be conducted by staff. Planned activities include a Super Bowl Satellite Media Tour, representation at the Capitol Hill Volleyball Classic, International Association of Culinary Professionals Conference, IDEA World Fitness Convention, the American Dietetic Association Food & Nutrition Conference and Expo, attending the Summer Fancy Food Show, and development of a How-to Honey Video Series that will feature honey recipes related to our main versatility messages. Staff will work with Chef Laurey Masterton and spokesperson Mitzi Dulan to provide credibility to NHB messages.

Emily Manelius reviewed the 2010 Social Media activities and their importance for reaching targets, defining messages and positioning the National Honey Board as a valuable resource. In the last year the NHB has generated more than 2,600 Facebook fans and more than 660 Twitter followers. She noted that these numbers are higher than those of other commodity boards she's reviewed. She summarized what has worked and what didn't work, reviewed objectives, and discussed the 2011 overarching concepts and the supporting tactics. She also encouraged Board members, alternates, and industry personnel to become involved in NHB's social media platforms.

### General Consumer Public Relations.

Representatives Linda Eatherton and Amy Kull from Ketchum Public Relations, the Board's new marketing agency, were introduced. Mark Mammen gave a brief summary of the transition to Ketchum.

Linda Eatherton described Ketchum's strengths in the food marketing field, nutrition, health and wellness. She also mentioned the wonderful food center/test kitchen they have on site.

Amy Kull discussed the agency's NHB team, their backgrounds and areas of focus ranging from nutrition & wellness, beauty, and research & measurement to digital/social media. It was also noted that Ketchum has a strong background in working with commodity boards.

Ketchum will continue with the "Honey One" message and will build on the emotional connection with honey and its versatility. They plan to capitalize on media opportunities and create a recognizable spokesperson. The iconic Honey Bear is going to be the primary source for all honey-related information...One Bear, One Voice.

News Bureau. Kull went on to explain that the idea behind the News Bureau is to keep media information flowing throughout the whole year. The honey messaging will be communicated via multimedia channels of print, broadcast and digital.

This was kicked off by highlighting honey for Valentine's Day with food bloggers and daddy bloggers. There was also a newspaper mat release showcasing honey as a natural cough suppressant.

Kull discussed some of the new food trends and the agency's plan to leverage honey as a natural energy booster. One of the creative concepts is to promote honey for "Your Natural 3:00 p.m. Energy Boost" that will include tips from Mitzi Dulan.

They will enhance the Minor League Baseball program with consumer involvement outside the baseball stadium. Plans include working with Mitzi Dulan and a retired MiLB player to connect with consumers. Ketchum is currently negotiating a contract with Dulan and confirming cities for a media tour.

Beauty PR + One. A beauty mat release is planned to highlight the benefits of honey as a beauty ingredient. A long-lead editor event is planned at a New York blow dry bar. Blogger Blow Outs or Spa Lunches were suggested as educational events to be held in three key media markets, with media distribution and messaging on "Honey: The ONE ingredient for Beauty". Kull reviewed measurement expectations.

Culinary PR + One. The agency is creating the opportunity to move honey from a well-loved traditional sweetener to a unique, natural and pure ingredient. They are enlisting honey enthusiast and Chef Dave Guas to promote "Honey: The ONE Essential Ingredient". They will be conducting national media test kitchen seminars, publication placements and creating culinary mat releases.

Linda Eatherton presented the "+ One" program, a multi-year consumer engagement program targeting moms and health influencers. The objective is to re-introduce honey into the home through a trusted source to moms when their babies are old enough to try honey. The message will be "Welcome to the One-derful World of Honey". The long range goal is to use the positive "moment-in-time" of a child's first birthday to reintroduce the wonders of honey to the entire family, and to partner with the National Association of Pediatric Nurse Practitioners (NAPNP) or other health care organizations to help educate moms. Eatherton presented examples of rampant misinformation about honey. She presented a due diligence approach to the campaign, citing the need to research the concept for acceptance with consumer focus groups and health professional focus groups. She summarized findings from consumer and health professional focus groups held in Chicago and Denver. Health care professionals are uninformed about honey and eager to get more information. Clint Walker suggested it might be time for the industry to engage legal counsel to see if there might be an opportunity for use of a less stringent message about infant botulism, or a more positive message. Eatherton spoke about what would be involved in effectively challenging the universal belief not to feed honey to an infant, citing the monumental legal and scientific steps. She said the message would be that honey is a perfectly wonderful food, but

avoid giving it to children before age one because baby's tummy can't handle it yet. Kimberly Coy mentioned the peanut industry's reliance on research to deal with the allergy issue. Mark Mammen asked if anyone in the group had any objections to this program. There were none.

Digital and Social Media. Ketchum will conduct a user experience audit of [www.honey.com](http://www.honey.com) and work with NHB staff on website functionality and user friendliness. They will also produce honey bear character digital postcards to send to top food and lifestyle bloggers to generate buzz, and conduct a search engine optimization audit.

Break for lunch 12-1:30

Code of Ethics and Conflict of Interest. Bruce Boynton referred the Board to the Code of Ethics document in the front of their Board notebooks. He noted additions that were made to comply with AMS oversight guidelines. Board members were asked to sign the document and turn it in to staff now.

### Hispanic Public Relations

Barry reported on the Hispanic public relations efforts, with an overview of the 2011 Plan and detailed description of the specific programs, activities and spokespersons. Activities planned for 2011 include: Honey Energy Boosters – to inform Latinas about honey as a natural energy booster for fitness and everyday activities; Honey From Head to Toe – to educate Latinas about honey as a natural skin moisturizer and how to incorporate it into their beauty routines; Dulces de Halloween – to encourage Latinos to feel confident about offering their kids a natural choice by giving them homemade treats with honey; and Ongoing Media Outreach.

### Sports Marketing (Minor League Baseball)

Barry reviewed the sports marketing plan, the Minor League Baseball teams NHB will be working with this year, and details of the planned activities. NHB aligns with teams that have exceptional attendance and promotional capabilities. The focus will be on generating awareness for honey and the NHB website, reinforcing the positive attributes of honey (energy, natural, purity, one ingredient), providing a platform to communicate honey messaging to families, and expanding the program and messaging to new markets. Teams include the Albuquerque Isotopes, Buffalo Bisons, Corpus Christi Hooks, Jacksonville Suns, Louisville Bats, Richmond Flying Squirrels, and the Sacramento River Cats. Program elements include honey as the official natural energy booster, stadium signage, nightly in-stadium honey trivia promotion, honey purchase incentive, broadcast radio pure energy play of the game, team website banner ad, NHB micro site, and honey on the team training tables.

### Foodservice Public Relations

Manelius reported on the 2011 foodservice programs, the proposed activities, and the spokespersons and organizations with whom the Board will partner. There will be ongoing media relations and outreach to foodservice editors, representation at the

International Foodservice Editorial Council (IFEC) conference, enlisting and strategically leveraging spokespersons such as chef/beekeeper Laurey Masterton and chef Todd Downs, partnering with the Culinary Institute of America (CIA) to conduct a two-day honey seminar on its various culinary applications, continuing the *Hot from the Hive* e-newsletter for foodservice professionals/operators, partnering with a restaurant consultancy to pursue honey menuing at target commercial operations, designing and creating marketing/collateral materials for restaurant professionals and chef educators, and partnering with Women Chefs and Restaurateurs (WCR) to promote honey's culinary applications and benefits.

### Ingredient Public Relations

Manelius presented the 2011 goals and projects for the (Food) Ingredient program. Plans for marketing materials, trade shows, speaking opportunities and surveys and research were reviewed. Goals are to further penetrate the baking and snack industries, specifically with food manufacturers and retail/wholesale bakeries; strengthen honey's presence in the general food, candy and dairy segments; and broaden honey's reach as an exceptional ingredient and marketing advantage to include more food segments. New advertising will be developed emphasizing clean labels and natural, wholesome products. Target publications include *Baking & Snack*, *Modern Baking*, *Snack World*, and *Snack Food & Wholesale Bakery*. NHB will work with print and online editors of top publications to promote honey in various food segments, and position the NHB as a valuable resource. Eight-page brochures will be developed for both the candy and dairy segments. NHB will attend the All Things Baking show in Chicago in October. This is a new show for 2011 that focuses on ingredients and not on equipment. NHB will also identify speaking opportunities at shows like the Healthy Baking Seminar or at various baking associations.

Keith Seiz, VP of Operations of The Arland Group, spoke on current trends in food industries, and the ability of honey to capitalize on these trends because of its flavor, functionality and marketing attributes. Trends include simple and natural ingredients, clean labels and products with a "health halo." Honey is in the perfect position to capitalize on all of these trends due to its unique flavor, functionality and marketing attributes.

The quest of alternative sweeteners has amplified in the industry. Natural sweeteners are gaining broad appeal in the baking industry and the gluten-free category is expanding. Honey has immense potential in this category as a natural sweetener, moisturizer and mask for off flavors. One of the most significant trends in the baking industry is *natural ingredients*. It has the momentum to continue to penetrate mainstream shoppers, unlike organic, which still remains a niche market. The lack of an official regulation on what is "natural" could be the category's biggest threat.

Commercial and retail bakery new product innovations center on a "health halo" placed on certain products by consumers. Examples include whole grain/ancient grains/whole wheat, Omega-3 fatty acids, probiotics, gluten free, fiber and double fiber. In the snack food industry, sodium reduction continues to be a goal for most manufacturers. In the

dairy industry, yogurt/Greek yogurt category offers significant potential for honey as they are popular products with a “health halo.” Many yogurt companies are even offering honey as its own flavor option. On the beverage side, honey is being positioned as not only a flavor, but also as an energy booster.

Seiz said NHB is getting about 800 to 1,000 hits per month on the new Baking with Honey and Snacking with Honey websites. He said there is no way to know who the hits are from, but he estimates that 80-90% of the audience is from food manufacturers because we have been promoting the websites to that audience with advertising, public relations and social media.

George Hansen asked if there would be a benefit to registering for the websites. Seiz said, “No, not now; maybe ten years ago.” There is just too much information available on the internet to expect users to have to register to get information. Seiz said the goal is to reach about 2,000-3,000 hits per month. Jim Phillips asked about the number of influencers and decision makers. Seiz referred to magazine subscription numbers. For wholesale baking, it is about 9-11,000. For retail, it is about 18-20,000. Zac Browning asked Keith if he is hearing any concern about honey purity. Seiz said it has not come up. Mostly he hears about cost and supply.

#### HoneyOne Collateral Materials.

Catherine Barry presented information on pricing and types of decals for possible promotion and use of the HoneyOne mark. There was discussion of various options for material and format, and questions of consumer applications and availability to industry. There was strong support from the Board to use the honey bear in the design, similar to one of the Minor League Baseball signs. Consumer applications such as a smaller version or stickers were also mentioned as a possibility down the road. Zac Browning said he would like to see different options for size and pricing. Barry said that the Marketing Department would develop different options for the Board’s consideration.

#### **RESEARCH**

Buddy Ashurst explained that the Research Committee, made up of the three beekeeper Board members, has oversight of the bee research projects because they have the best ideas for the use of the bee research money. He said the whole board is involved with other research.

Intertek Project. Boynton discussed the budget issues and options regarding the Intertek Project. The options presented by Intertek would reduce funds needed in 2011 but would extend the length of the project significantly. Boynton said he could divert funds from other basic research because the Intertek project was high priority. He mentioned a current proposal for honey and glucose response that is recommended by Dr. Kathie Beals. The Board suggested that assessment projections could be revisited. Boynton said this week he told Dr. Elflein at Intertek that we would reallocate our budget in order to fund his original proposal to avoid extending the project.

ADPEN. Boynton reported that the ADPEN contract has been signed, and they will move forward as fast as possible.

The Thursday, Feb. 24 session ended at 4:35 p.m.

The Friday, Feb. 25 session was convened at 9:30 a.m.

## **RESEARCH REPORT**

Boynton reviewed the current research budget, noting that we were coming up a little short for possible new honey research. He asked for Board guidance on research funding. Clint Walker noted that we always have a large reserve or fund balance. There was further discussion on budgeting and how to ensure that National Honey Board funds get put to good use. Kimberly Coy pointed out that the 5% commitment to production research was mandated and that part of it could not be borrowed.

## **ACTION ITEM IV BUDGET AMENDMENT**

Motion by George Hansen, seconded by Nancy Gamber-Olcott and carried to (1) increase 2011 budget for revenue from assessments by \$200,000 to \$3.9 million and (2) allocate additional 2011 expenditures as follows: \$50,000 to Emerging Opportunities; \$120,000 to Marketing, and \$30,000 to Research.

It was suggested that any contract with Intertek be in U.S. dollars.

Boynton said he would ask Katherine Beals to proceed with the glucose study pending approval of the budget amendments

Heat and Filtration Project. Boynton distributed an updated report on the Heat and Filtration Project, which he discussed in detail. There was a consensus to post the entire report on the website. The report, titled "Comparison of Mineral and Enzyme Levels in Raw and Unprocessed Honey", was prepared by Ropa Science Research.

Honey Bee Research Projects. Boynton presented the list of new bee research projects recently selected for funding. The 2011 budget is \$223,000. Eight new projects were selected from 12 proposals, for a total commitment of \$241,303. Boynton referred to a chart that showed payments scheduled for 2011 were \$201,047, and payments scheduled for 2012 were \$40,256. Zac Browning said there may be the perception in the industry that all the bee research money is not being used, and that we should seek out proposals to make sure we spend the majority of the money. Clint Walker explained that last year we only received seven research proposals, and that any money not used last year was carried forward and added to this year's budget for bee research. George Hansen suggested a protocol for approval of bee research projects be developed. Brent Barkman asked that information be provided to board members and alternates to keep them informed of bee research funding.

Research Publication Policy. Boynton asked if the Board was in support of posting market research summaries on the website and of providing full research reports to any

requestor, even if they did not pay assessments or were out-of-country. The Board expressed support for continuing the policy of making the market research reports available since such information would help the industry as a whole.

Hair Care Study Update. Catherine Barry provided an update on the Hair Care Study that is intended to measure honey's ability to aid in the cleansing of human hair. The first test, which consisted of an instrumental laboratory test, measured the amount of light that is reflected off the tresses of hair and was completed the week of February 14, 2011. This industry standard test to measure the cleanliness of hair is based on the theory that the dirtier the tresses of hair are, the less light they will reflect. Conversely, the cleaner the tresses of hair are, the more light they will reflect. Preliminary results from Advertising Claim Strategies, NHB's research consultant, indicated that honey did not perform as well as was expected.

The second test consists of a panel of expert evaluators trained to measure small tactile differences among several hair samples. It is scheduled to be conducted in late March. Staff is hoping for better results from this test.

## **OTHER BUSINESS**

Proposed Item for Inclusion in New Contracts Policy. Boynton explained the proposed item for inclusion in a contracts policy, as requested by AMS. The proposed policy states "*When contracts are submitted to AMS for review and approval, a statement should be provided to explain why a contract was awarded to a particular contractor, including justifications when the lowest bid is not awarded or when non-competitive contracts are awarded.*" Three sample policies regarding different kinds of contracts and whether they are subject to the bidding process or board approval were read and discussed. There was consensus that board approval was an unnecessary part of the second and third proposed policies. After extensive discussion, the following language was adopted.

1. Contracts of the following nature will be reviewed and evaluated at least every three years and may be bid as determined by the Board.
  - 1.1 Public Relations/Advertising agencies.
  - 1.2 Contracts with CPA firms for end-of-year financial audits.
2. Contracts of the following nature are not subject to the bidding process, and shall be at the discretion of the CEO:
  - 2.1 Contracts with spokespersons, but spokespersons costing over \$25,000 annually must be approved by the Board.
  - 2.2 Basic research contracts.
  - 2.3 Production research and honey bee research (as selected by the Board or Committee).
  - 2.4 Collaborations or partnerships with other organizations.

3. Contracts of the following nature are not required to be bid, and shall be at the discretion of the CEO:
  - 3.1 Research consultants and technical support.
  - 3.2 Market research.
  - 3.3 Sponsorships related to trade shows and events.
  - 3.4 Applied research, formulations, product development.

#### ACTION ITEM V CONTRACT POLICY MODIFICATION

Motion by Zac Browning, seconded by George Hansen and carried to accept the proposed contract policies as discussed and modified.

Sweetener Industry Information about the Cost of Honey. Boynton said there were statements being made in the sweetener industry that honey is costly due to decreased supplies mainly due to CCD. He said in the last year he has also received a few calls from food manufacturers or bakers expressing concern about possible short honey supplies due to CCD. Boynton asked for Board reaction to the statement and guidance on how the Board would like to deal with this information. There was consensus that CCD has not caused a honey shortage and general disagreement with the claim. Prices are impacted by global supply and demand, general inflation, and not CCD. Clint Walker suggested that Boynton produce a two-paragraph press release correcting the misinformation, and there was consensus that we respond to, and disagree with, the claim.

#### OFFICER ELECTION

Officer Continuity. Buddy Ashurst pointed out a possible need for a change in the Bylaws. There is a potential problem with Board member terms ending on December 31 and officer appointments being made at the first Board meeting of the following year. If a standing officer's term ends on December 31<sup>st</sup>, there could be a gap in Board leadership between December 31<sup>st</sup> and the next board meeting. The idea was mentioned of having officer elections at the October meeting with officer terms starting January 1<sup>st</sup> and lasting through the calendar year. However, new board member appointments are usually not made by October. Zac Browning suggested that the bylaws could be changed to enable the Board to appoint interim officers if the need arose. This issue will be considered at the October meeting.

Officer Elections. Boynton read from Article IV, Section 2 of the bylaws governing Board officer nominations and election procedures.

#### ACTION ITEM VI OFFICER ELECTIONS

Motion by George Hansen, seconded by Mark Mammen and carried to cast a unanimous ballot to re-elect the current officers.

October Meeting. There was a consensus to hold the October 2011 Board meeting in San Francisco on Tuesday, Oct. 11 and Wednesday, Oct. 12.



Paperless Board Notebooks. After discussion of going paperless in connection with Board notebooks, there was a consensus to place Board meeting materials on the website, secured with a password. A few hard copies of the Board notebook materials could be made available to those who need it. Shared laptops were suggested for use during Board meetings, and there was a consensus to give this a trial run.

ACTION ITEM VII ADJOURNMENT

Motion by Clint Walker, seconded by Mark Mammen and carried to adjourn.

The meeting was adjourned Feb. 25, 2011, at 10:58 a.m.

**NATIONAL HONEY BOARD**

**MEETING MINUTES**

**PRESIDING:** BUDDY ASHURST, CHAIR

**LOCATION:** Denver, Colorado

**DATE:** October 21-22, 2010

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**National Honey Board Members Present:** Buddy Ashurst, Hans Boedeker, Zac Browning, Nancy Gamber-Olcott, George Hansen, Charles Kocot, Mark Mammen, Steven Smith and Clint Walker.

**National Honey Board Alternates Present:** Bonnie Woodworth, Dave Ellingson, Ilene Miller, Jim Phillips.

**National Honey Board Staff Present:** Bruce Boynton, Bruce Wolk, Catherine Barry, Emily Jack, Sam Butler, Andrea Brening, David Fenske, Marlys Fallon.

**Others Present:** Jerry Probst (consultant), Kimberly Coy (USDA/AMS), Molly Todd Rudy (Barkley), Lindsay Ingram (Barkley), Jennifer Cawley (Barkley), Alan Turanski (Glory Bee Products), and Mary Anne Davitt (transcriber).

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**THURSDAY, OCTOBER 21, 2010**

**CALL TO ORDER**

The October 2010 meeting of the National Honey Board was called to order by Chairman Buddy Ashurst at 9:45 a.m. Bruce Boynton called the roll.

Ashurst reported that Bob Coyle had resigned from the Board for health reasons. Clint Walker stated that Coyle had been instrumental in ensuring the Honey Board's continued existence and vitality, and asked that a letter be crafted honoring him and his work on behalf of the Board.

**ACTION ITEM I AGENDA**

Motion by Hans Boedeker, seconded by George Hansen and carried to approve the Agenda.

## **TREASURER'S REPORT**

Nancy Gamber-Olcott gave the Treasurer's report and briefly reprised the contents of the Consent Agenda.

### **ACTION ITEM II CONSENT AGENDA**

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

## **FINANCIAL REPORT**

2010 Financial Forecast and Update. Sam Butler presented the 2010 Financial Forecast and an update on the 2010 financials, explaining in detail his methods and procedures in developing this information. He commended Marlys Fallon for having saved the Honey Board at least \$5,000 through careful review of the bank statements. He provided an update on compliance and procedures for dealing with non-compliance, noting the additional amount of revenue generated through onsite audits.

Proposed 2011 Budget. Butler reviewed the proposed 2011 Budget, discussing how various shifts in staff responsibilities are reflected in adjustments to budget. In connection with the proposed board that was recently rejected by the industry, Butler stated that the assets have been disbursed appropriately and the related obligations have been discharged. He provided a detailed, item-by-item explanation of the assumptions used in budget preparation, noting that this was the first year estimated carryover amounts have been included in the budget.

Auditor. Butler explained the process of soliciting proposals from ten auditing firms for the Annual Audit, and compared details of the three bids the Board received for the Audit.

### **ACTION ITEM III AUDITOR SELECTION**

Motion by Hans Boedeker, seconded by Charles Kocot and carried to retain the services of the present auditor, CNE CPAs.

## **AMS**

Kimberly Coy, presented the AMS report. She spoke about the USDA's current emphasis on diversity, stating that if the Board's packages are not diverse enough, they will be sent back. She discussed the variety of elements involved in a diversity evaluation, including such things as size of farm, gender, race, age...a variety of elements. She noted that initiative towards meeting diversity in other ways is viewed favorably, and that documentation of efforts to support the diversity initiative is important. She stated that AMS administrators have been advised of the Board's limited options due to its structure. The qualifications of the persons nominated are important and should be stressed.

Regarding Bob Coyle's vacated position, Coy said the current alternate would move into his position and the Honey board would have to go through the normal nomination process to fill the vacant alternate position. The qualified organizations that submit nominees for the position will have to be contacted by the Honey Board staff.

## **MARKETING**

Bruce Wolk gave an overview of the Marketing program, noting that the marketing plan for 2011 is nearly complete. He introduced the marketing staff members and briefly reviewed the services of the different public agencies associated with the Board – Barkley PR (General Consumer PR), RL Public Relations (Hispanic PR), Evans Hardy & Young (Foodservice PR), the Arland Group (Food Ingredient & Baking PR), and the Championship Group (Sports Promotion Agency-Minor League Baseball marketing).

### **Proposed 2011 Marketing Budget**

Wolk discussed the proposed 2011 budget, noting that while it was higher than the 2010 budget, the percentage allocations to each agency remained relatively the same year to year.

### **Barkley Public Relations**

The representatives from Barkley Public Relations, Molly Todd Rudy, Lindsay Ingram and Jennifer Cawley, gave an in-depth presentation of the agency's general public relations activities on behalf of the NHB. These presentations included a general overview, discussion of trends in the evolution of media and social networking. The 2011 public relations plan was discussed in detail, as well as highlights from the 2010 activity.

The goal of maximizing honey demand and consumption and expanding the target audiences was discussed. The platform of HoneyOne and the shift in strategy from purity to "versatility" was described. The quarterly-based 'News Bureau' marketing calendar for this platform was explained in detail. Quarter 1 will follow the theme of Food and Beauty, Quarter 2 the theme of Energy and Beauty, Quarter 3 the theme of Energy and Food, and Quarter 4 Food & Throat Soother.

Lindsay Ingram discussed advertising strategies, the categories of media (print, online/social, broadcast), and the criteria used to rate the effectiveness of individual publications within such media. She explained the print and online advertising strategy and concepts, and solicited Board members' preference for one of several slogans highlighting the "secret ingredient" theme.

### **Hispanic Public Relations**

Bruce Wolk noted statistical evidence from the 2009 Use and Attitude study that support a greater awareness of Honey among Hispanics correspondent to the time span that the National Honey Board has reached out to the Latino community. Wolk noted that the Hispanic PR program recognizes Hispanics as a growing subset of the U.S. population, one that values honey and its cultural traditions. He reviewed the work of RL Public Relations and discussed the 2010 Hispanic programs, Honey Purity, Summer

Party, and The Natural Throat Soother. Wolk showed two webisodes that humorously addressed the honey purity question.

Wolk then reviewed the planned 2011 Hispanic PR campaigns. These plans include a menu built around Valentine's Day (with the help of a top Latino chef, an L.A. tasting event and TV segments); Honey Energy Promotion (with fitness expert Barbara Trujillo); "Moisturize Your Skin with Honey" (beauty promotion); Dulces de Halloween (A unique children's program that uses a candy maker to develop honey-based treats). There is a smaller program in development for local Hispanic markets that could potentially interview Hispanic baseball players.

### **Minor League Baseball**

Catherine Barry presented a summary of the 2010 MiLB promotional activities and results, and the 2011 PR campaign. The 2010 program's objectives are to build on the previous success of honey's association with MiLB, to generate awareness for honey and the website, and to reinforce honey's positive attributes. The program elements include stadium signage, nightly honey trivia promotion, purchase incentive program, broadcast radio reinforcing honey as the official Natural Energy Booster of the team, the Pure Energy Play of the Game. Barry spoke highly of David Fenske's work on the NHB MiLB Micro Site and of Marlys Fallon's work in keeping up with teams. She noted that the Nielsen ratings showed a clear percentage increase in honey usage.

Barry then described the 2011 MiLB promotion planning and recommendations, noting potential teams and recommending selection of Triple-A rated teams because of the better promotional potential. She discussed matters to consider for 2011, including whether to continue selecting MiLB markets with correlation to Nielsen footprints. There was general discussion about whether to return to teams previously associated with the Honey Board, or to expand the Board's reach, or to continue aligning with teams having strong attendance and promotional capabilities. Clint Walker said he believes in this program, and George Hansen said we should keep spreading the word instead of going back to the same teams. Walker agreed that we should keep spreading the word and said we're putting too much on staff to measure this. Buddy Ashurst said we should change every year. Staff has the freedom to expand beyond Nielsen areas. Kimberly Coy is to look into whether the Honey Board could make available coupons for honey purchase.

### **In-house Trade Shows and Events**

Catherine Barry discussed the in-house trade shows and events handled by the National Honey Board staff, which include the Colorado Crossroads Volleyball Tournament, the International Association of Culinary Professionals, the IDEA World Fitness Convention, the American Dietetic Association's Food and Nutrition Conference & Expo, the work of Mitzi Dulan, the MiLB microsite, and the Honey & Energy Brochure. Barry reviewed promotional materials and displays, tradeshow pop-up event booth displays, brochures, tear pads, industry kid focused brochure and other promotional items. She described the 2011 event and tradeshow ideas, which include the DC Capital Hill Volleyball Classic, the International Esthetics, Cosmetics & Spa Conference

in NY, the IACP International Conference in Austin, the IDEA World Fitness Convention, the Chicago Marathon Health and Fitness Expo, and other efforts.

### **Social Media**

Emily Jack discussed Marketing's social media program. She described the goal and objectives of this program, explaining how social media can be used to help achieve the Honey Board's goals and objectives. She noted the strong statistical evidence for the value of social media in the promotional work of business and organizations. She reviewed the 2010 accomplishments of the social media program, noting the growth in popularity of the Board's Facebook, Twitter and YouTube sites and their different target audiences. The 2011 strategies include the continued development of pages, Facebook advertising to increase page visits, and social media automation. Benchmarks will be set with quantitative measures. Specific quantitative 2011 goals for FaceBook and Twitter, as well as other more general goals and objectives were identified.

### **Foodservice PR**

Emily Jack reported on media relations from May through October, 2010. She reviewed highlights of the survey and spoke about the "Hot from the Hive" e-newsletter, which is designed for foodservice professionals to promote honey use. She presented the 2011 Foodservice PR campaign, which builds on what was established in 2010 and will use spokespeople. She described the Culinary Institute of America/NHB event and the Culinary Exploration Seminar in Napa Valley. Menu development, innovation and ideation and the plan to partner with a restaurant consulting company to recreate new menu applications for honey were explained.

### **Ingredient Marketing**

Emily Jack recapped the 2010 ingredient marketing program activities, noting the websites that have been launched or strengthened in connection with ingredient marketing. She noted the many placements through PR efforts, and various events, such as the March 2010 SNAXPO tradeshow and the September 2010 International Baking Industry Exposition (IBIE). She discussed the Honey Substitution Guide and the Snack Ideas with Honey brochure, and spoke about the 2011 plan to maintain the Board's baking and snack industry presence and to further establish honey's presence in dairy and candy segment. The plans for baking-specific advertising and for ads directed at the candy, dairy and beverage industries were discussed. Interactive media advertising will have greater focus on bakery profiles.

General ingredient PR work in 2011 includes continuing to work with editors for positive coverage, outreach to magazine and website editors, and promoting the National Honey Board as an information resource. Surveys of commercial and retail bakers will be conducted to measure honey usage and other factors.

The Honey Board funded the AIB student scholarship program in 2010. Hans Boedeker suggested we get a baker to make a presentation at AIB on how to use honey in baking.

The Thursday session ended at 5:40 p.m.

## **FRIDAY, OCTOBER 22, 2010**

The Friday session of the Board meeting was convened at 9:40 a.m. by Buddy Ashurst.

### **SEATING OF ALTERNATE**

Zac Browning was unable to be present for the Friday session, and the alternate for his position, Dave Ellingson, was seated in his place

#### **ACTION ITEM IV SEATING OF ALTERNATE**

Moved by Nancy Gamber-Olcott, seconded by Clint Walker, and carried to seat Dave Ellingson in place of Zac Browning.

### **CODE OF ETHICS**

Buddy Ashurst reminded the Board that every member was required to sign the Code of Ethics and turn it in before the end of the meeting.

### **EMERGING OPPORTUNITIES BUDGET**

Bruce Boynton walked the Board through a line-by-line explanation of the Emerging Opportunities expenditures to date.

### **RESEARCH**

#### **2011 Proposed Research Budget**

Boynton explained the background of various line items.

#### **2011 Beauty Research Budget**

Catherine Barry discussed the proposed 2011 beauty research budget, with an in depth explanation of three options, including the pros and cons of using vs. not using human subjects.

#### **ACTION ITEM V TEST OPTION SELECTION**

Moved by Clint Walker, seconded by Hans Boedeker, and carried to proceed with Test Option #3: "Test honey's ability to aid in the detergency and surface smoothness of human hair."

#### **2011 Production Research Budget**

Boynton and Walker discussed production research plans and the intention to get the production research RFP distributed and get things set by the January 2011 convention in Galveston.

Boynton provided an update on research on the effect of heat and filtration on honey. David Ropa is coordinating this project, which is an analysis of whether there are differences between raw and processed honey.

### **Possible New Basic Research**

Boynton stated that Kathy Beals will be evaluating a possible project to study honey as a prebiotic. She has also developed an RFP for research investigating honey's glucose response, but is first attempting to determine what other projects are underway elsewhere.

### **HoneyOne Mark**

Boynton stated that the Board would need to set policy for third party use of the HoneyOne mark, noting that the Board has the right to license such use of the mark. He read the Issue Briefing explaining the background and issues involved in the recommended policy. Several Board members spoke to the importance of the National Honey Board maintaining control of the mark. Kim Coy discussed other boards' handling of such matters, noting that AMS reviews licensing contracts.

### **ACTION ITEM VI POLICY ON BOARD CONTROL OF HONEYONE MARK**

Moved by Mark Mammen, seconded by Clint Walker, and carried to approve the recommended policy:

Due to legal and liability issues, the Board does not allow third party use of the HoneyOne mark and tagline. Collateral material with the mark and tagline may be provided for sale by the NHB at nominal cost.

### **Economic Adulteration — Survey of Research Labs**

Jerry Probst spoke about his survey of research labs equipped to study the natural components of honey. The survey's purpose was to find labs competent to study the inherent characteristics of pure honey and the feasibility of developing an appropriate test in connection with economic adulteration and the honey pretenders that impact the marketability and the image of pure honey and the honey industry. New or improved procedures are being sought to increase the sensitivity, lower the cost or simplify such tests, with the goal of finding a simple, cost-effective test for economic adulteration. Several RFPs are in the works.

Bruce Boynton stated that he would consult the Board about a decision after the RFPs have been received.

### **INDUSTRY SERVICES**

#### **Proposed 2011 Industry Services Budget**

Bruce Boynton explained the line items in the proposed budget, and stated the intention to retire the "Home is where your honey is" publication. A new Story of Honey/ Pollination, with more current information, will be developed.



Andrea Brening discussed the items scheduled for reprinting, such as a new recipe brochure, and Honey Pure Energy brochure. A new hang tag may be developed during 2011.

## **PROPOSED 2011 BUDGET.**

### **ACTION ITEM VII BUDGET APPROVAL**

Moved by George Hansen, seconded by Mark Mammen, and carried to approve the proposed 2011 Budget as presented.

## **BOARD POLICIES**

Boynton stated the value of a record of board policies, and noted that most of those contained in the paper presented to the Board were motions passed at previous meetings.

### **ACTION ITEM VIII BOARD POLICIES (EXCEPT 5.1 AND 6.2)**

Moved by Clint Walker, seconded by Charles Kocot, and carried to adopt all of the proposed Board policies except numbers 5.1 and 6.2. (see attachment)

Boynton explained proposed policy 5.1, which concerns how the budget is developed and presented to the Board for review.

### **ACTION ITEM IX BOARD POLICY 5.1**

Moved by Clint Walker, seconded by Dave Ellingson, and carried to adopt proposed Policy 5.1, with the addition of the language "at least 10 days prior," and the word "Committee" changed to "Board."

**It is the policy of the Board that a preliminary budget be prepared each fall by staff. The preliminary budget will be submitted to the full Board at least 10 days prior to the fall meeting to allow time for review and questions by the Board.**

### **ACTION ITEM X BOARD POLICY 6.2**

Moved by George Hansen, seconded by Hans Boedeker, and carried to adopt proposed Policy 6.2.

**It is the policy of the Board to prepare and make public, by posting on its website, an annual Treasurer's Report with an accounting of funds received and expended. This policy is implemented in accordance with the requirement of 1212.47 (g) of the Honey Packers and Importers Research, Promotion, Consumer Education and Industry Information Order. The report shall be prepared by staff and the Secretary-Treasurer immediately following the Board's acceptance of the annual audited financial statements**

## **OTHER BUSINESS**

### **Next Meeting**

There was a consensus to hold the next meeting in Denver on February 24-25, 2011, preferably at the Warwick Hotel.

### **Honoring Bob Coyle**

Buddy Ashurst and Bruce Boynton proposed creating a plaque to Bob Coyle listing his contributions to the Board and its Committees.

### **Rules About Seating New Board Members**

Kim Coy explained the Board's options regarding incoming and outgoing Board members. If new Board members are appointed before the February meeting, the old Board members don't need to attend; however, the Board has the option of bringing in the old Board members as a courtesy and to recognize them for their service.

## **ACTION ITEM XI ADJOURNMENT**

Motion by Dave Ellingson, seconded by Hans Boedeker and carried to adjourn.

The meeting was adjourned at 11:00 a.m.

Attached National Honey Board Policies:

## **Board Policies**

June 2010

- 1 Mission Statement**
- 2 Diversity**
- 3 Code of Ethics & Conflict of Interest**
- 4 Reimbursement for Travel Expenses**
- 5 Finance and Budget Development**
  - 5.1 Budget Development and Review (PROPOSED)**
  - 5.2 Authority for Use of Funds for Emerging Opportunities**
  - 5.3 Selection of Audit Firm**
- 6 Industry Communications & Relations**
  - 6.1 Presentations to Industry Groups**
  - 6.2 Annual Secretary-Treasurer's Report (PROPOSED)**
  - 6.3 Promotional Materials – “Freebies”**
- 7 Programs**
  - 7.1 Third party use of any NHB trademark or logo**

POLICY NUMBER 1

SUBJECT: **MISSION STATEMENT**

DATE OF APPROVAL:

DATE LAST REVIEWED:

**It shall be Board policy that it will operate under the following mission statement:**

**“The National Honey Board will serve the honey industry by increasing demand for honey and honey products.”**

POLICY NUMBER 2

SUBJECT: **DIVERSITY**

DATE OF APPROVAL: March 18, 2010

DATE LAST REVIEWED:

**I. DIVERSITY POLICY**

To ensure diversity, the National Honey Board (NHB) adopts the following policy:

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

**II. ACTION PLAN & STRATEGIES**

To ensure diversity, the National Honey Board will implement the following:

1. The National Honey Board’s Chairperson will annually communicate to Board and Committee members the Board’s Diversity Policy. NHB Board members and committee members will be briefed on the Plan and directed to work for its successful implementation.

2. The NHB will issue a press release announcing its Diversity Policy. The press release will be mailed to the leadership of qualified organizations as defined in the Order, packers and importers, and editors of the three beekeeping industry publications.
3. The NHB will encourage qualified organizations making nominations to implement the Diversity Policy in the making of nominations.
4. The NHB shall place the Diversity Policy on its website.

POLICY NO. 3

SUBJECT: **CODE OF ETHICS & CONFLICT OF INTEREST**

DATE OF APPROVAL: May 5, 2010

DATE LAST REVIEWED:

### **CODE OF ETHICS**

Board members and their alternates are appointed by the U.S. Secretary of Agriculture to serve the entire honey industry.

In serving the honey industry, I dedicate myself to improving the position of honey in the marketplace and to developing and expanding markets for honey and honey products. **To achieve this goal, to best serve the needs of the industry I represent and the Department of Agriculture, I pledge myself to:**

1. Maintain loyalty to and uphold the National Honey Board in the eyes of the honey industry and the public.
2. Maintain the highest standard of personal and professional conduct when representing the National Honey Board.
3. Cooperate with other members of my Board/Committee, staff, vendors and agencies for the advancement of the goals and objectives of the Board.
4. Serve all members of my constituency impartially, providing no special privilege to any member of the industry or public.
5. Always communicate the Board's internal and external statements in a truthful and accurate manner.

6. Use only legal and ethical means in Board/Committee activities.
7. Hold in confidence and not use for my personal gain any information about the National Honey Board's programs before such plans are announced to the industry.
8. Use Board funds only for expenses incurred specifically for Board business and within guidelines set by the Board.
9. Recognize that the services of the National Honey Board staff, agencies and vendors are to serve the entire industry equitably.
10. Comply with the provisions of the Honey Packers and Importers Research, Promotion, Consumer Education and Industry Information Order.

### **CONFLICT OF INTEREST**

#### **In their position with the National Honey Board, Board Members:**

- Shall ensure that the NHB engages in activities authorized by the HPIB Order and adopted pursuant to the process approved by the NHB.
- Shall, in performance of Board duties, consider the welfare of the entire Honey Industry.
- Shall not vote on or deliberate on any matter in which the Board Member or a direct family member has a financial interest.
- Shall not use his or her Board position for private gain or use nonpublic information for purposes unrelated to NHB business.
- Shall operate through the Board, its structure and Bylaws, and not operate in a manner that may suggest or operate to exercise independently Board authority.
- Shall not engage in anti-competitive behavior or any other activities that violate antitrust laws.
- Shall ensure compliance with the Act, Order, Bylaws and other policies and procedures of the National Honey Board.



POLICY NO. 4

SUBJECT: **REIMBURSEMENT FOR TRAVEL EXPENSES**

DATE OF APPROVAL:

LAST DATE REVIEWED:

**POLICY:** The National Honey Board (NHB) will reimburse employees, Board members, alternate Board members, committee members and other authorized persons for all reasonable and necessary expenses incurred while traveling on authorized NHB business. The NHB assumes no obligation to reimburse for expenses that are not in compliance with this policy. Expenses deemed to be lavish and/or extravagant will not be reimbursed. **All claims for reimbursement shall be filed within 60 days following the date the expenses were incurred.** Claims received after 60 days will not be considered for reimbursement; such expenses will remain the responsibility of the person who incurred them.

**PROCESSING EXPENSE REPORTS:** NHB staff should submit their expense reports to their direct supervisor for approval. All others should submit their expense reports directly to the NHB Director of Finance & Administration. Improperly prepared expense reports will not be processed for payment and will be returned to the preparer for corrections.

**AIR TRAVEL:** Travelers are expected to use the lowest reasonable available airfare that allows them to meet business obligations. Frequent traveler benefits accrue to the traveler. Personal expenses incurred in conjunction with air travel will not be reimbursed. Personal expenses include flight insurance premiums, excess baggage charges for personal luggage, in-flight movies and alcoholic beverages. The cost of first class airfare will not be reimbursed. Also, the cost of upgrading to first class is not reimbursable.

Travelers must submit with their expense report a document (e-ticket confirmation, travel agency receipt, ticket copy or similar document) that indicates the date, destination, class and amount of the ticket.

Travelers choosing to travel by automobile will be reimbursed at the lower of the airfare or the current IRS auto mileage rate. The NHB will not reimburse costs of citations for parking violations or moving violations of motor vehicle laws, car washes or repairs.

**RECEIPTS:** Receipts are required for all expenditures over \$25. Receipts for expenditures under \$25 are encouraged and should be provided whenever possible. Meal receipts should show the names of all individuals included in the total charge, including companies / organizations and a general description of the business discussed. For professional education or seminars, attach a copy of the class schedule or agenda.



**MEALS:** The NHB will reimburse actual and reasonable meal costs. Expenses for alcoholic beverages will not be reimbursed. NHB expects travelers to exercise prudence in the selection of restaurants.

**LODGING:** Incidental charges (movies, personal telephone calls other than to family) not related to NHB business will not be reimbursed. Any penalties incurred for non-cancellation of guaranteed hotel reservations will be the responsibility of the traveler unless they are the result of NHB business necessity.

**SPEAKERS AT STATE/REGIONAL MEETINGS:** Non-employees who are authorized to speak at a state or regional meeting should contact the NHB office for reimbursement guidelines.

POLICY NO. 5

SUBJECT: **FINANCE AND BUDGET DEVELOPMENT**

- 5.1 Budget Development and Review
- 5.2 Authority for use of Emerging Opportunities Fund
- 5.3 Selection of Audit Firm

POLICY NO. 5.1

SUBJECT: **BUDGET DEVELOPMENT AND REVIEW**

DATE APPROVED: **PROPOSED**

DATE LAST REVIEWED:

It is the policy of the Board that a preliminary budget be prepared each fall by staff. The preliminary budget will be submitted to the Finance Committee prior to the fall Board meeting to allow time for review and questions by the Committee before the budget is presented as a proposed budget to the full Board at the fall meeting.

POLICY NO. 5.2

SUBJECT: **AUTHORITY FOR USE OF EMERGING OPPORTUNITIES FUND**

DATE APPROVED: March 18, 2010

DATE LAST REVIEWED:

The Board approves the discretionary use of Emerging Opportunity funds of up to \$100,000.00 by the CEO. (For clarification: Any planned use of Emerging Opportunity Funds in excess of \$100,000 must be Board-approved.)

POLICY NO. 5.3

SUBJECT: **SELECTION OF AUDIT FIRM**

DATE APPROVED: March 18, 2010

DATE LAST REVIEWED:

It is the policy of the Board that the selection of the Board's audit firm be approved by the Board and that the CPA auditor present the findings to the Board.

POLICY NO. 6

SUBJECT: **INDUSTRY COMMUNICATIONS & RELATIONS**

6.1 PRESENTATIONS TO INDUSTRY GROUPS

6.2 ANNUAL SECRETARY-TREASURER'S REPORT

6.3 "FREEBIE" PROMOTIONAL MATERIALS

POLICY NO. 6.1

SUBJECT: **PRESENTATION TO INDUSTRY GROUPS**

DATE APPROVED: October 22, 2009

DATE LAST REVIEWED:

It is the policy of the Board that staff (the CEO or other designated staff) is authorized to travel to the annual meetings of the following groups to present information on NHB programs and activities:

- National Honey Packers & Dealers Association
- Western States Packers & Dealers Association

- American Beekeeping Federation
- American Honey Producers Association

POLICY NO. 6.2

SUBJECT: **ANNUAL SECRETARY- TREASURER'S REPORT**

DATE APPROVED: **PROPOSED**

DATE LAST REVIEWED:

It is the policy of the Board to prepare and make public, by posting on its Website, an annual Treasurer's Report with an accounting of funds received and expended. This policy is implemented in accordance with the requirement of 1212.47 (g) of the Honey Packers and Importers Research, Promotion, Consumer Education and Industry Information Order. The report shall be prepared by staff and the Secretary-Treasurer immediately following the Board's acceptance of the annual audited financial statements.

POLICY NO. 6.3

SUBJECT: **"FREEBIE" PROMOTIONAL MATERIALS**

DATE APPROVED: November 18, 2008

DATE LAST REVIEWED:

It is the policy of the Board to continue providing "freebies" (recipe or honey information brochures) to the industry, including for large public events, as needed. The Board recognizes the value of freebies as a low cost, high impact way of getting information into the hands of consumers by using the network of volunteers.

POLICY NO. 7      PROGRAMS

7.1      **Third party use of any NHB trademark or logo**

(to be developed)

NATIONAL HONEY BOARD  
MEETING MINUTES

PRESIDING: BUDDY ASHURST, CHAIR

LOCATION: KANSAS CITY, MISSOURI

DATE: March 18-19, 2010

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National Honey Board Members Present: Buddy Ashurst, Nancy Gamber-Olcott, Steven Smith, Bob Coyle, Charles Kocot, Hans Boedeker, Mark Mammen, Zac Browning, Clint Walker and George Hansen

National Honey Board Members Absent: None

National Honey Board Alternates Present: Brent Barkman, Jim Phillips

National Honey Board Staff Present: Bruce Boynton, Sam Butler, Emily Jack, Catherine Perez, Bruce Wolk, Andrea Brening

Others Present: Marlene Betts (USDA/AMS), Jennifer Cawley, Annie Arnold, Anita Strong, Daniel Molina

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THURSDAY, MARCH 18, 2010

CALL TO ORDER

The March 2010 meeting of the National Honey Board was called to order by Chairman Buddy Ashurst at 8:07 a.m. Andrea Brening called the roll.

Bruce Boynton introduced NHB staff members. Bruce Wolk introduced staff from Barkley, Inc.

**ACTION I - AGENDA**

Motion by Bob Coyle and seconded by Charles Kocot and carried to approve the agenda.

Bruce Boynton mentioned that information on an International Conference on Pollinator Biology, Health and Policy was in the Board books and needed to be covered during the meeting.

## SECRETARY-TREASURER'S REPORT

Nancy Gamber-Olcott noted the minutes and items behind the Consent Agenda tab in the Board books.

### **ACTION II – OCTOBER MINUTES**

Motion by Mark Mammen, seconded by Nancy Gamber-Olcott and carried to approve the minutes of the October 22-24, 2009 National Honey Board meeting.

### **ACTION III – CONFERENCE CALL MINUTES AND EMAIL BALLOT**

Motion by Clint Walker, seconded by Bob Coyle and carried to approve the minutes of the teleconference call on January 28, 2010 and e-mail ballot in February, 2010.

The Flash Revenue Report dated February 23, 2010 and Assessment History Summary was handed out by Sam Butler.

Butler reviewed the highlights of the December 31, 2009 financial audit. He noted that the auditors gave a clean opinion of the financial statements. As of December 31, 2009 the Board was in compliance with the guidelines for collateralization of investment funds as established by the Agricultural Marketing Service. The auditors also indicated that there were no matters involving the internal control over financial reporting and its operation.

George Hansen asked how often the auditors are chosen. Sam Butler said we put the audit up for bid every three years. Hansen asked "who makes the decision?" to select the audit firm. Butler said he and the CEO made the decision. Marlene Betts stated that for other commodity boards, the board generally selects the audit firm. Betts suggested that in the future the Board have the audit firm make the presentation of their audit. It was also suggested that the list of potential auditors be made available to the board at the fall meeting. These steps would help protect the Board as well as the staff.

### **Action IV – BOARD APPROVAL OF AUDITOR**

Motion by Nancy Gamber-Olcott, seconded by Zac Browning and carried that future selection of the Board's audit firm be approved by the Board and that the CPA auditor present the findings to the Board.

Butler reviewed the status of assessment revenues relative to previous years and referred to a 36-month linear trend line. Domestic assessments are recovering much stronger than import assessments. If the upward trend continues we might want to consider a budget adjustment at mid-year. George Hansen stated that he doesn't think that the domestic can achieve more. Several had questions about the amount and direction of consumption of honey.

For imported honey, Charles Kocot stated that they don't know what is coming in as honey substitutes and then marketed as honey. Argentina is an issue. Vietnam's crops are just getting started. It is difficult to know what is coming in as honey or syrup or as a honey blend. The economy has had some effect on consumption. Nancy Gamber-Olcott said in 2008-2009 a drop in consumption was seen in all locations. Now consumption is flat but that doesn't mean that the honey isn't being sold. Mark Mammen said he thinks the industrial market isn't tracked as it relates to country of origin. Nancy stated that honey is being put into other products. Buddy Ashurst said that substitutes are coming in as pure honey and not being tracked from the countries of origin.

Boynton asked if anyone wanted to change the assessment revenue figures stated in the budget. Bob Coyle suggested we have a conference call within a few months. Charles Kocot said we should stay with the current budget and see what the future brings.

Butler provided an update on Compliance as of March 17. Six reviews have been conducted so far in 2010 and six reviews were conducted in 2009 starting October, 2009. Three reviews resulted in an additional \$17,000 being owed. One company has refused to allow NHB access and a subpoena has been served. One company has not responded to a letter and telephone calls so a review will be scheduled. Butler said the reviews usually take a day or less.

#### Proposed Budget Amendments

Sam Butler presented the proposed budget amendments which deal with carryovers of available cash and commitments for ongoing contracts or bills to be paid. He explained that since we are on the cash basis we don't record accounts payable at the end of the year. An increase of \$389,400 to the original budget of available beginning cash, less the commitments for expenses and contracts carried forward results in a net increase of \$156,069 to our permanent reserve. Nancy Gamber-Olcott said this seemed like a high amount and asked where else it should be placed. Boynton said it might be placed in the Emerging Opportunities fund, but said this board really hasn't established a policy for discretionary use of the Emerging Opportunities funds by the CEO. He said if the Board decides to use the funds for a program or project, a budget amendment would be needed to move the funds out of the Permanent Reserve. Nancy asked if there would be formal proposals at this Board meeting to change the use of this money. Bruce Boynton and Bruce Wolk said they had discussed this and they will not have any formal proposals at this meeting. Clint Walker suggested that we keep it in the Permanent Reserve. Mark Mammen wanted to confirm that it takes Board action to change where these funds are located in the budget. Boynton said the Board could place the funds where it wants, and the amended budget approved by the Board must then be sent to AMS for their review and approval. Clint Walker said if we put the funds into Emerging Opportunities, he wanted to state that the funds would be available for use within other projects.

## **ACTION V – CEO USE OF EMERGING OPPORTUNITY FUNDS**

Motion by George Hansen, seconded by Clint Walker and carried to approve the discretionary use of Emerging Opportunity funds of up to \$100,000.00 by the CEO.

Charles Kocot asked about the Audit of December 31, 2009 with regard to expenses and Sam Butler stated that because this is a cash basis report, the audit fee is recorded as it is paid rather than accrued.

### AMS REPORT

Marlene Betts from the USDA/AMS discussed the nominations process since the terms of four Board members expire at the end of this year. The terms of Steve Smith, Charles Kocot, Mark Mammen, and Zac Browning will expire on December 31, 2010. Notification to the organizations that these seats are going to expire is necessary and AMS needs nominees from the organizations six months prior to the end of the year.

Since there are three producer positions on the Board, Clint Walker explained the agreement between the American Beekeeping Federation and the American Honey Producers Association to alternate which group would nominate two representatives. The two organizations would be the ones to sort out the producer nominations process.

Betts said that diversity is very important to the new administration in Washington, D.C. A letter was sent to Bruce Boynton outlining the administrations expectations concerning diversity. The administration is looking for new candidates that have not served in the past other than a possible second term. In addition, for each candidate USDA needs to know how many votes did the person receive out of how many possible total votes. Finally, USDA needs to know the efforts taken by the organizations to nominate diverse members to the Board. George Hansen asked if the Board of Directors of the organizations are the ones who have made the nominations. He asked if there is a protocol. Marlene stated that a current protocol does not exist. We need to establish a nomination process in order for the organizations to provide USDA with the information requested. Whatever process is developed will be used from this point forward. George Hansen brought up what diversity could mean in this particular case. It could mean different areas of life, race, small, large, whatever we can show going forward. Marlene stated that we need the Board's assistance in developing a process to work with the certified organizations to get the information the administration has requested so that nominations reach our office by July 1, 2010. Bob Coyle stated that this has been handled by each of the organizations. Marlene Betts said that is fine, but we need the nominations in a timely manner with the requested information.

The Research and Promotion Branch continues to work on new programs. Currently, four new programs are in various stages of development, which include: Processed Raspberries, Christmas Trees, Softwood Lumber, and U.S. Honey Producers programs.

Conflict of interest policy for the Board and/or employees is another issue that needs to be discussed. The board needs to provide its conflict of interest policy to AMS. If the Board does not have a policy, then one must be developed. All seventeen research and promotion programs are being asked to provide and/or develop conflict of interest policies.

Marlene thanked everyone at the Barkley meeting yesterday. She thought it went very well, and mentioned the truthfulness and the backup we need in order to make claims. Key words and terms were discussed and how AMS reviews promotional materials.

#### DIVERSITY POLICY

Bruce Boynton mentioned that our proposed policy has been reviewed by AMS and will meet with their approval. Hans Boedeker wondered if we can have people on committees who are not Board members. Boynton said according to the bylaws a committee can have a non board member.

#### **ACTION VI – DIVERSITY POLICY**

Motion by George Hansen, seconded by Steven Smith and carried to approve the Board's Diversity Policy.

#### MARKETING REPORT

Mark Mammen mentioned that he wanted the Board and the Marketing Department to have good communication.

Boynton presented results from the 2009 Packer Tracking Survey. Eleven participating companies represented 188 million pounds of honey sold. This is a little more the half the honey assessed in 2009. Retail was 52% of the volume, with Bulk at 34% and Foodservice at 13%. Brent Barkman asked if this was the best study for the Board to use and suggested some other data sources. Boynton said the relative size of the allocations could change if more companies were reporting, and the percentage of Bulk volume could be bigger than shown here. Foodservice stays about the same from year to year. Based on information from these eleven companies, bulk honey sales have declined over the last couple years.

Bruce Wolk mentioned that 9 or 10 of these 11 companies might be having less bulk consumption. We might be seeing the effects of honey syrups or fake honey, and companies might not be using pure honey. We need to get the



honey purity message to consumers, ingredient folks and even cosmetic companies.

Wolk listed the various agencies working for the Board. The Arland Group out of Chicago promotes honey as a food ingredient. Barkley, Inc., located in Kansas City, Missouri, is our new General Consumer Public Relations agency. The Championship Group handles our minor league baseball promotion. RL Public Relations out of Los Angeles reaches the Hispanic market. Segerstrom Communications out of San Francisco handles foodservice public relations.

For our marketing philosophy, Wolk said we want consistency with a limited number of programs with longer duration. Purity is the most important critical issue; Consumption, encouraging Americans to consume more pure honey; Reach our market with non-traditional and traditional techniques; Reach all demographics, younger as well as older, Hispanics and African Americans as well as Caucasians; Balance and leverage utilizing our in-house staff as well as out-sourced programs; Research should be practical, possible and applicable; and we need to go after quantity end-users in the areas of ingredient & foodservice usage.

#### Marketing Budget

Catherine Perez gave an overview of the proposed \$1,900,000 2010 Marketing Budget. Foodservice, at 4% of the marketing budget, took the biggest decrease compared to last year. More in-house marketing programs helps increase the efficiency of our budget. The budget of \$250,000 for Minor League Baseball is lower than last year. Hispanic public relations are increased to 20% of the marketing budget. General Consumer Public Relations has 41% of the marketing budget. In response to a question from the Board, Boynton said these allocations are very close to what was presented to the Board at the fall meeting. Only minor adjustments were made.

#### Minor League Baseball

Perez said we want to build on the previous success of the NHB's association with Minor League Baseball. We want to bring more folks to our website and reinforce the natural positive attributes of honey. This is a platform to reach all family members. We also want to focus on markets that drive the Nielsen data. The Iowa Cubs is based out of Des Moines, IA, and is a AAA team. They are affiliated with the Chicago Cubs. The Columbus Clippers are affiliated with the Cleveland Indians. The Nashville Sounds are based out of Nashville, TN. They are affiliated with the Milwaukee Brewers and have over nine years of record setting attendance. The New Britain Rock Cats are associated with the Minnesota Twins and they have also set attendance records. The Norfolk Tides are affiliated with the Baltimore Orioles. These teams are located close to areas where the Nielsen data could be affected to help measure program results. We

will have stadium signage and broadcasts among our normal activities. The honey purchase incentive is our newest item to work on this year. Fans can purchase a bottle of honey and will receive various discounts at the stadium for that event. The teams will do PA announcements and we will be provided additional messages by signage and handouts throughout the stadium. The "Pure Energy Play of the Game" will be announced during the games. Honey will be featured in their clubhouse and on the training table. There will also be a banner ad on each team's website. Bruce Wolk acknowledged that the packers would be notified of promotions in case local packers who want to do their own promotions in conjunction with those of the National Honey Board. There was a question as to the specifics of the honey promotion purchases. The only requirement is that it has to be "Pure Honey". Jim Phillips suggested that the stores do some kind of promotion to sell more honey during this promotion. April through September is the time of the year that they look at the Nielsen information.

### In-House Programs

Catherine Perez attended the Colorado Crossroads youth Volleyball tournament in Denver, Colorado the last two weekends. Attendance was approximately 50,000. There were 850 teams and 8,300 players between the ages of 12-18. Perez said the participants were excited about the NHB booth. We had a new prize wheel at the booth this year. The International Association of Culinary Professionals has a convention at the end of April in Portland, Oregon. We'll work with a pastry chef to give food samples made with honey. Hopefully we will be sponsoring Kids in the Kitchen giving them an apron and honey recipes. The IDEA World Fitness Convention will be in Los Angeles, California. Approximately 5,000 fitness professionals and nutritionists are expected to attend. Mitzi Dulan will be attending and autographing The All-Pro Diet book that she co-wrote with Tony Gonzalez. The American Dietetic Association conference and expo will be held in November in Boston. We'll be working directly with Mitzi Dulan to provide recipes and tips and to develop a honey and energy brochure.

### Social Media Programs

Emily Jack described social media and discussed the different ways people are communicating in today's world, allowing people to generate and exchange content freely. It creates value instantly and is cost effective. We can use this to educate consumers, reach a younger demographic, and have widespread awareness. We are currently using Facebook, Twitter, a Blog and are looking to expand to YouTube. Facebook allows us to interact with consumers and hear their comments. Twitter allows us to get great publicity and mention our name daily. The recipes we have posted have been received with a very positive note. The blog is titled "Straight from the Hive" to promote our purity message with honey recipes and applications; honey in the news and new research findings. All content will follow the USDA/AMS guidelines and is under our close

monitoring and control. NHB staffs, board members, alternates and industry personnel were encouraged to become involved in the social media process.

### The "Honey One" Logo

Bruce Boynton reported that we have filed trademark applications for 1) "Honey ... The Way Nature Intended" 2) "One Ingredient. The Way Nature Intended" and 3) the color HONEY/ONE graphic. Bruce Wolk mentioned how these complement each other. It's good to pair a symbol with words, and it gives everyone a banner to rally around.

Our Hispanic agency is using a Hispanic version of the "One Ingredient. The Way Nature Intended." tagline.

### Barkley, Inc.

Jennifer Cawley discussed commodity programs that have been successful, and food trends. They had a full approach with all markets. She proposed giving consumers the opportunity to experience honey with messages that promote the product's versatility, seasonality, personality, and through viral capacity with social media. Target demographics are females/males and young moms aged 20-30, and the female aged 25-55 primary shopper who really spends the money. Annie Arnold discussed the 2010 Strategic Calendar. First quarter is planning and research; second quarter focuses on the 100% Pure message; third quarter is Secret Ingredient; and fourth quarter will focus on versatility. Traditional and social media relations are ongoing throughout the year. Repetition and consistency are key. It was pointed out that a copy of the Honey Board's Social Media Plan for 2010 is in the board meeting books. The pure honey message has two parts, the message and the visual representation. In quarter 2, they will show the honey bear bottle with an "endangered" campaign. Quarter 3 will show ladies who are cooking with honey. They will feature a Cooking with Honey Contest. They will attend the Blog Her Conference to offer reasons to use honey and allowing these ladies to share this information with everyone they know! September will be a Honey Do Media Relations and referral campaign. They plan to host a Sweetest Tailgate Contest on Facebook for men and young males. At the end of the year, the holidays will bring about the opportunity to show gifts using honey. General measurement guidelines for media relations and social media were presented. Bob Coyle inquired about the mentioning of CCD with their marketing tools.

### Hispanic PR Programs

Bruce Wolk presented the plans for 2010 Hispanic PR campaigns. The program starts with a honey purity campaign, using the Honey One logo and the tagline in Spanish. An educational program will show Hispanic consumers how to

differentiate 100% pure honey from honey syrups and blends. Mayte Prida is the spokesperson to reach out to the Hispanic population. She is a cancer survivor and a strong supporter of good eating habits and eating natural foods. There will be a Spanish language Public Service Announcement to air on TV stations, and call-to-action webisodes demonstrating the difference between 100% pure honey and fake honey in the market. The Natural Soother Campaign is based on the concept that honey is a popular soother for colds and coughs among Latinos. Wolk said RL agency has done a great job for The National Honey Board. There has been a dramatic increase in the Latino honey usage since the agency has been working for us. Hans Boedeker inquired if they had thought about advertising with the soccer organizations. Bruce Wolk mentioned that it is more expensive to deal with the soccer teams than the minor league baseball teams, and the agency got good coverage with Latino baseball players on the teams we worked with. Clint Walker mentioned that he'd be interested in receiving quantitative data via email when it is available.

### Foodservice Program

Emily Jack presented an update on Foodservice programs. She mentioned culinary competitions planned at four schools. 22 students participated in the February competition at the Culinary Institute in Charleston. In February, we featured honey in food and wine pairings at the Food Service Educators Learning Community conference. The Honey Board's award-winning honey lesson plan was also presented. The Catersource Trade Show was held March 9-10. We had a booth to outreach with honey sampling and marketing materials, and were a co-sponsor with Chilean Fresh Fruit.

### Food Ingredient and Baking Industry

Emily Jack presented a recap of first quarter activities and an overview of 2010 plans. We want to capitalize on the crossover between bakery foods and snack foods by extending focus to the snack food industry. We'll target retail, specialty and commercial bakeries with advertising, public relations, interactive through [bakingWithHoney.com](http://bakingWithHoney.com) and social media efforts. We will exhibit at the International Baking Seminar in September, make a presentation at the Healthy Baking Seminar, and develop a Honey Substitution Guide to complement the Resource Guide developed in 2009. To reach the snack food industry, we plan to advertise in trade publications such as *Baking & Snack* and *Snack Food & Wholesale Baking*, launch [SnackingWithHoney.com](http://SnackingWithHoney.com), and produce a brochure with snack ideas using honey. We exhibited at the SNAXPO tradeshow in Ft. Worth, Texas, in early March. We also plan to make inroads into the beverage industry by meeting with trade magazine editors and publishers and launching a beverage-specific website. Hans Boedeker asked about hands on programs with large bakery chains. Bruce Wolk said that while we are not visiting specific bakeries, we are making contact through our presence at trade shows.

## Research Report, Honey & Skin Care

Bruce Wolk reported on the results of a clinical test at CyberDERM Clinical Studies. Sixty women from age of 18-55 were tested to see what effect honey had on their skin. He said honey was shown to effectively moisturize the skin and improve skin firmness. Wolk said the study has been submitted to USDA for review of the proposed statements. Marlene Betts said USDA is looking at the study and AMS will instruct staff as to what they can say.

Brent Barkman asked Bruce Boynton if there has been any research on the enzymes in honey. Boynton said we have not, but we do have a paper on the enzymes in honey. Bob Coyle brought up the idea of working with the larger pharmaceutical companies. There were several comments about honey in cough drops and in liquid cough products.

## INDUSTRY SERVICES/FULFILLMENT

Bruce Boynton referred to the Industry Services budget in the board books. Boynton and Andrea Brening reported on fulfillment materials. Several items have already been reprinted. At the October 2009 board meeting the question of whether to make the kids recipe brochure "From Honey Bees to Brain Freeze" available for fulfillment was tabled pending budget information. We have cost per unit figures ranging from 30 cents for 5,000 to 13 cents for 50,000, and we have money in this year's budget to create the brochure if desired. A board member suggested that the brochure be printed and made available as a freebie since we are trying to promote honey.

We don't have cost estimates for a kid's brochure freebie that Emily Jack has been working on to replace the out-of-stock kids "A Sweet Story" brochure. Emily said the copy has been approved and is with the graphic designer. Jim Phillips asked if the Honey One logo will be put on the new brochures. Catherine Perez said it will probably be incorporated into the new brochure.

### **ACTION VII – BROCHURE PRINTING**

Motion by George Hansen, seconded by Hans Boedeker and carried to approve printing 50,000 of the "From Honey Bee's to Brain Freeze" brochures for \$6,500 and make them available to the industry.

## CRISIS MANAGEMENT – UPDATED READINESS PLAN

Bruce Boynton handed out to Board members copies of the Readiness Plan. Boynton said the contact information, staff and board member names have been updated. Boynton asked the Board members to take several minutes to read through the notification procedures, which they did.

Boynton said most of Readiness Plan was originally created in 1988 with statements added in the 1990's. He said some of the statements needed review and updating, specifically referring to the statements on Antimicrobial Properties, Diabetes, and Nutrition. References to research studies need to be documented. We have research in our file cabinets, but we need to find the appropriate research. We need to invest some time and money to reference research in support of our statements. Boynton also asked the Board members to think about what other statement we may need to add to our Readiness Plan.

### **ACTION VIII –READINESS PLAN STATEMENTS**

Motion by Clint Walker, seconded by George Hanson and carried to allow use of discretionary funds to have someone look into Readiness Plan statements for appropriate support and terminology.

### HONEY DEFINITIONS DOCUMENT

Bruce Boynton said the Honey definitions document created by the old board is used as a resource to help respond to questions from consumers and the media, but it is not a legal document and it has not been approved by the new Board. He read the definition of "raw honey" and asked what "minimum processing" means. How do we go about updating this document, or do we keep it? Clint Walker said that he thought we could use the discretionary funds to update this. Bruce Boynton said that he didn't feel he could update this on his own. George Hansen said there are no legal definitions for raw honey. Jim Phillips said it would be beneficial to say this and have information to back it up. Boynton asked everyone to take the information home and e-mail him with suggestions.

The Thursday session of the Board meeting was adjourned at 3:15 to tour the offices of Barkley, Inc.

### FRIDAY, MARCH 19, 2010

The Friday session of the Board meeting was convened at 9:23 a.m. by Buddy Ashurst.

### BUDGET REVIEW

Nancy Gamber-Olcott mentioned the Board needed to approve or accept the audit report and audited financial statements as of December 31, 2009.

### **ACTION IX – APPROVAL OF AUDIT REPORT**

Motion by Clint Walker, seconded by Charles Kocot and carried to approve the audit report and audited financial statements of December 31, 2009.

Nancy Gamber-Olcott recommended that the Board approve the budget as discussed in Executive Session, keeping \$200,000 in the Reserve and putting the balance into the emerging opportunities budget.

### **ACTION X – BUDGET AMENDMENTS**

Motion by Mark Mammen, seconded by Bob Coyle and carried to approve proposed budget amendments #1 and #2 as presented at the Executive Session, and keep \$200,000 in the Permanent Reserve and add the balance to the budget for Emerging Opportunities.

### **ACTION XI – USE OF ADDITIONAL EMERGING OPPORTUNITY MONIES**

Motion by George Hansen, seconded by Hans Boedeker and carried to approve that the additional money that went to the Emerging Opportunities budget would be for staff proposals and industrial and food service programs.

## RESEARCH

Clint Walker gave an update on the Research Committee's selection of production research projects. Out of six proposals, one was rejected outright. Three of them will be sent back with questions for possible revisions and reconsideration. One proposal was given 50% funding, with \$10,000.00 approved now with the possibility of another \$10,000.00 later in the year after a status report is received. The most expensive proposal for just under \$50,000.00 was approved. Penn State is sponsoring an International Conference on Pollinator Biology, Health and Policy, and asked for a donation from the Honey Board to support it. Walker said honey bees are a big part of this project and the Committee recommends a \$10,000.00 donation to assist them. This and the approved research projects total approximately \$67,000.00, to come out of the \$132,585 in the budget for new production research projects. We might spend more money depending on how three researchers respond to the Committee's questions.

### **ACTION XII – PRODUCTION RESEARCH PROJECTS**

Motion by Clint Walker, seconded by Mark Mammen and carried to approve funding as stated above.

Bruce Boynton mentioned that we list all NHB-funded production research on our website. Walker provided further details on the various proposals.

Bruce Wolk shared ideas for applied research. For honey in baking, we need to see how honey actually works and that the honey has positive benefits. He suggested looking into hair care and conditioners. The amount of sodium in

snacks is a big issue, and expects FDA to come out with something soon. This presents an opportunity for us to explore the use of honey in snacks with less sodium. The American Institute of Baking has a good contact and we will be talking to an independent consultant as well for possible applied research ideas. Candy and confection are something else we are looking into. Snack foods and baking are top priorities.

Boynton continued a review of items in the Research budget. David Ropa is our support consultant for food manufacturers, providing information on how to use honey in a particular product or as an ingredient. Lori McGee is our independent consultant for conducting the Packer Tracking Surveys. The names of the participating companies are kept confidential by Lori. Staff does not know who they are. Dr. Katherine Beals helps explore opportunities for health and nutrition research, reviews research proposals and helps write RFPs for new honey research we would like to take on. Boynton referred to a memo from Dr. Beals in the Board meeting books, and explained that she is not recommending further research on honey and diabetes.

For the current project surveying the research community for possible honey testing, Boynton stated that he has contracted with Jerry Probst to complete the project by June 15, 2010.

Boynton referred to a proposal on honey and meat browning in the Board books and an e-mail from Dave Ropa. Boynton said the recommendation is to not fund this project, and unless the Board objects he will let the researcher know the proposal is not accepted.

Catherine Perez asked how the Nielsen research to be conducted with the Minor League Baseball promotions will be paid for. Boynton said it could be covered by the \$2500 contingency in the Research budget or with Emerging Opportunities funds. Boynton also said he would like to cover future years' market research under the marketing budget. George Hansen suggested putting market research funds in the marketing budget and letting the marketing department be responsible for their use.

Zac Browning suggested research on the effects of heat and filtration on honey.

### **ACTION XIII- HONEY RESEARCH**

**Motion by Zac Browning, seconded by George Hansen and carried to do research on the effects of heat and filtration on honey, to be funded from the Emerging Opportunities budget.**

There was discussion on the above motion, including comments about raw honey. George Hansen said we are the Honey Board and we should know the truth about honey. Jim Phillips said it is up to the marketers themselves to use



what information they choose to use. Bruce Wolk suggested looking at the high end potential of real quality honey.

George Hansen suggested developing honey and snack recipes for home use rather than for large commercial development. Spending money on snack recipes for development as a commercial product seems to hold questionable promise.

#### QUESTION ON TAILGATING PROMOTIONS

Buddy Ashurst mentioned that a question about our tailgating promotion came up in the Executive Session. Steven Smith wondered if this was worth the funds spent. Bruce Wolk stated that the previous tailgating promotion was very successful. Our spokesperson worked well but it was an expensive program. In the following year we didn't do it because we had to cut programs due to uncertainty about NHB continuity. Jennifer Cawley said they had looked at the NHB's prior tailgating program. She thinks we can use more online communications and that a spokesperson isn't necessary to make this work. Hans Boedeker asked if we work with individual packers. Bruce Wolk stated that we do not. Boynton said that we tell them where these programs are to give them the opportunity to get involved. Jim Phillips stated that his company will be working with the Minor League baseball team in their area this year.

#### INDUSTRY ROUNDTABLE

Bob Coyle said in the past the Honey Board has sponsored roundtables, and he asked is there a reason why we cannot sponsor them now. Marlene Betts said the Board can sponsor roundtables, but the discussions must be on honey promotion and information. Bob Coyle said past roundtables have been pretty open as to the discussions. He looked at the Honey Board taking the initial role and he isn't seeing that now. Bruce Boynton said that the two roundtables he has attended had specific agendas and topics set beforehand. Coyle said he had been to all roundtables and there was very open discussion. Marlene Betts said AMS is not completely against the Honey Board sponsoring roundtables, but it needs to be for specific discussion only.

Clint Walker said that if the Board had come to AMS with the idea of a discussion of pure honey and if anything else comes up in the discussion the Honey Board is mute on that subject. He suggested the Honey Board could still be the sponsoring organization if the primary focus is on what the Honey Board can do. If the other groups want to go into another room or meet separately, they could do that. Betts said that is correct. Clint Walker said he thinks, as George Hansen and Bob Coyle have stated, that the Honey Board has the ability to sponsor the roundtables.

Brent Barkman noted that the current roundtable was a timing issue. Since it wasn't going to be done in a timely fashion the packers took it upon themselves to schedule it.

Marlene Betts said she will work with Bruce Boynton to work through this issue.

#### OFFICER ELECTIONS

Bruce Boynton read from the Bylaws for the proper election procedures. The orders of positions to be elected are Chairperson, Vice Chairperson and Secretary-Treasurer. Nominations are to be by secret ballot. Andrea Brening and Marlene Betts acted as tellers.

#### CHAIRPERSON

All nominations for Chairperson were for Buddy Ashurst. Ashurst elected Chairperson by general consent.

#### VICE CHAIRPERSON

Clint Walker and George Hansen were nominated for Vice Chairperson. Hansen respectfully declined. Bob Coyle spoke in support of Walker.

#### **ACTION XIV – ELECTION OF VICE CHAIRPERSON**

**Motion by Steven Smith, seconded by Nancy Gamber-Olcott and carried to accept by acclamation the nomination of Clint Walker as Vice Chairperson.**

#### SECRETARY-TREASURER

Nancy Gamber-Olcott, Charles Kocot and George Hansen were nominated for Secretary Treasurer. No majority on first ballot. Charles Kocot removed himself from consideration. Nancy Gamber-Olcott elected on second ballot.

Buddy Ashurst thanked the Barkley, Inc. employees for the visit to their offices yesterday, and reminded Board members that the Barkley team was interested in visiting beekeepers and packer facilities to learn more about the industry.

#### NEXT MEETING

The next meeting will be held in Denver, CO on Thursday October 21 and Friday, October 22, 2010.

#### **ACTION XV - ADJOURN**

**Motion by Clint Walker, seconded by Zac Browning and carried to adjourn.**

The meeting was adjourned at 11:18 a.m.

**National Honey Board – Research Ad Hoc Committee**  
**Minutes**  
**Telephone Conference Call**  
**Subject: Honey Test Project**

Presiding: Clint Walker, NHB Research Committee Chair

Date: Thursday, January 28, 10:00a.m. Mountain Time

Present: Buddy Ashurst, Clint Walker, Zac Browning, George Hansen, Mark Mammen, Nancy Gamber-Olcott, Bruce Boynton, Marlene Betts (AMS)

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The meeting was called to Order at 10:05a.m. and Boynton took roll as above. Buddy Ashurst said the industry has problems with purity of honey and we're looking for some research to help our industry.

Clint Walker said this comes from the motion made at our last Board meeting(\*see motion at end) and thanked Mark and Nancy for joining us. He also welcomed Marlene Betts from AMS. He then referred to and read section 1212.26 from the Order:

1212.26 Research.

“Research” means any type of test, study, or analysis designed to advance the image, desirability, use, marketability, production, product development, or quality of honey and honey products, including research relating to nutritional value, cost of production, new product development, testing the effectiveness of market development and promotion efforts. Such term shall also include studies on bees to advance the cost effectiveness, competitiveness, efficiency, pest and disease control, and other management aspects of beekeeping, honey production, and honey bees.

Walker said anything we do to fulfill the Board's motion would need to fall within this provision. He emphasized the key terms of image, desirability, use, marketability, production, product development and quality. He said the concern behind the Board's motion is that there is honey on the market that is not legitimate honey.

Marlene Betts thinks we're on the right track by talking about the positives of honey, what you can do with real honey. We should go at the research from that perspective, looking at what kind of testing can be done to show that it is pure honey.

Walker read from his outline of Rationale and Methods for a research project (see attachment). He suggested we look at testing capabilities as well as new tests to help us understand what's in honey.

Mark Mammen said that an adulteration test is a very difficult test to come up with, given current methods. Ashurst said we need to get a better test to show what honey

has over other sweeteners that could be added. We should look at what honey has that other sweeteners don't. A few labs were mentioned, and what they are doing. One issue is whether a lab would share a new testing method with others.

Mammen cautioned that experience offers a caution for us, that we could spend a lot of money trying to develop a test to detect things at a lower level and still not thwart those who could match it. What we need is something that has not been done. Walker mentioned that a past expensive research project resulted in disappointing results, and the counsel we received was to make sure we have other scientists doing a peer review of the proposed project before committing to it. Boynton agreed that it would be a good idea to get opinions from other researchers so one researcher doesn't lead us down a road that's not productive.

Nancy Gamber-Olcott said that a particular German lab uses three or four different tests, not one particular test, to prove a product was adulterated with rice or beet sugars. Her company tests all their products for quality, adulteration, and residues, and they would love to see a test that would prove the product didn't have any rice or beet sugars in it.

Walker wondered if it was worth spending Honey Board funds to see if someone in the research community could come up with a test, or is everybody doing what can be done? Boynton said he spoke to the head of a U.S. lab yesterday, and he heard the same thing Nancy heard, that it could be a combination of tests rather than just one test.

Zac Browning offered the suggestion of interagency cooperation, and that other industry groups have been working with the Agricultural Research Service (ARS) to get a honey chemist post established, but there has been no funding for it. He suggested a long term approach of speaking with ARS about cooperating and developing this type of testing or a honey chemist post with some NHB funds. Walker said he thought this was a good idea, and asked Bruce Boynton and Marlene Betts if that was something we could do. Betts said other commodity boards have done research with ARS, but she has never heard of funding a position. She doesn't think we could do it but could check into it.

Walker summarized discussion so far and asked if anyone sees a direction we could take without being fruitless. Buddy Ashurst said he thought we needed someone to put feelers out to see what would be best. If we had a test, consumers, packers and producers could be educated about it. Mark Mammen agreed, said we need somebody who is able to talk the same language as the labs to find out what they're capable of doing, and talk to ARS to see if they're willing and able to help. He also suggested that we find out from packers and importers what they see as the problems. Boynton agreed that we need someone who can speak the language and put out feelers, and said we additionally need to define the specific question we want them to pursue, such as either identifying a particular adulterant or to determine if a product has the characteristics of pure honey, just trying to determine if a product is 100% pure honey with one simple test. Walker said that based on what Marlene Betts said, we can ask "is this pure

honey?” but not ask to show us the particular adulterant. Marlene agreed that is the better way to frame it.

Walker said we need to be clear in our stated objectives that we’re trying to determine what is pure honey, what are the properties of pure honey.

**Motion by Mark Mammen, second by Nancy Gamber-Olcott, and carried unanimously, that the recommendation to the Board be “To ask the CEO to engage one or more persons to survey the research community to ascertain the feasibility of developing a test or tests to advance the image, use, or quality of honey in accordance with section 1212.26 of the Order, and can identify a product as pure honey with its inherent characteristics and functional properties.**

Mammen asked if this action would require funding, and Ashurst asked if this could be handled prior to the March Board meeting. Boynton said since the Board sought a recommendation from this Committee, the recommendation could be sent to the Board along with a mail ballot with an explanation of available funding through either the Research budget or the Emerging Opportunities budget. If necessary, a full Board telephone conference call could be held prior to the March meeting.

Walker asked if the Committee was interested in following up on Browning’s suggestion of having the CEO talk to AMS about how we might work with ARS in getting a honey chemist, and if there was anything the Honey Board could do to facilitate that. He asked if anyone was opposed to that. There were no objections. Marlene will do some research on the ARS honey chemist question, and will communicate with Boynton.

With no further business, the meeting was adjourned at 10:53am.

\*Board motion from October 2009 Board meeting:

**Motion by Clint Walker, seconded by Nancy Gamber-Olcott and carried to authorize the CEO to work with the Research Committee to develop a comprehensive honey research program, to be presented to the Board for action at a later date.**

(Attachment to Minutes of January 21, 2010)

## Comprehensive Honey Research Program

Purpose: To gain a better knowledge of the functional properties of honey.

Rationale: There is a paucity of knowledge of how honey functions as an ingredient in many baking and blending applications.

Examples would be 1) use in probiotics—how does honey enhance; 2) functionality of different components of honey in bakery applications; and 3) honey as an aid to calcium uptake—do different honey properties convey more or less benefit?

Methods:

- 1) Develop testing procedures to identify lesser known honey properties that may impact the Purpose and Rationale of the study;
- 2) Possible further testing of knowledge gained by the testing procedures; and/or,
- 3) Dissemination of knowledge gained to food manufacturing community.

## NATIONAL HONEY BOARD

### MEETING MINUTES

**PRESIDING:** BUDDY ASHURST, CHAIR

**LOCATION:** Denver, Colorado

**DATE:** October 22-24, 2009

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**National Honey Board Members Present:** Buddy Ashurst, Nancy Gamber-Olcott, Steven Smith, Bob Coyle, Charles Kocot, Hans Boedeker, Mark Mammen, Clint Walker and George Hansen.

**National Honey Board Members Absent:** Zac Browning.

**National Honey Board Alternates Present:** Bonnie Woodworth, Dave Ellingson, Ilene Miller, Jim Phillips, Brent Barkman, Gregory Olsen,

**National Honey Board Staff Present:** Bruce Boynton, Bruce Wolk, Catherine Perez, Sam Butler, Andrea Brening, David Fenske, Marlys Fallon.

**Others Present:** Kathie Notoro (AMS), Jerry Probst, Troy Fore, Jeff Gross, Mary Anne Davitt (transcriber).

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**THURSDAY, OCTOBER 22, 2009**

#### CALL TO ORDER

The October 2009 meeting of the National Honey Board was called to order by Chairman Buddy Ashurst at 8:05 a.m. Andrea Brening called the roll.

#### ACTION ITEM I SEATING OF ALTERNATE

Motion by Hans Boedeker, seconded by Bob Coyle and carried to seat Dave Ellingson, Alternate, in Zac Browning's place.

#### ACTION ITEM II AGENDA

Motion by Dave Ellingson, seconded by Bob Coyle and carried to approve the agenda.

#### SECRETARY-TREASURER'S REPORT

Nancy Gamber-Olcott asked for comments on, or approval of, the minutes to the National Honey Board's April meeting and July telephone conference call.

## ACTION ITEM III APRIL 23-24 FINANCE MINUTES

Motion by Clint Walker, seconded by Mark Mammen and carried to approve the minutes of the April 23-24, 2009 National Honey Board meeting.

## ACTION ITEM IV JULY 1 TELECONFERENCE MINUTES

Motion by Clint Walker, seconded by George Hansen and carried to approve the minutes of the July 1, 2009 National Honey Board telephone conference call.

Sam Butler presented the Financial Report, briefly reviewing the September financial reports. He provided a compliance update, summarized the results of compliance audits so far, and provided a status of reviews scheduled the rest of the year.

Butler reviewed the proposed 2010 Budget and budget assumptions. He referred to a page showing assessment revenue history over several years and projections for 2009. In response to a question about compliance costs covered in the 2010 budget, Butler said the 2010 budget for administrative travel allows for about 12 audits, or one per month. There was a general discussion of compliance issues, related costs, and the importance that compliance is taken seriously. Butler noted that further discussion and action on the proposed budget would take place on Saturday, after the Board had a chance to hear other presentations.

## AMS REPORT

Kathie Notoro reported that Edward Avalos was to be appointed soon as Undersecretary for Marketing and Regulatory Programs. She stated that the Department of Agriculture is looking very closely at diversity, and revisiting policies pertaining to submission of nominations packages.

## MARKETING

Attitude and Usage Study. Bruce Wolk introduced Jeffrey Gross, author of the Honey Board's 2009 Attitude and Usage Study. Mr. Gross presented a detailed report and slide show on the Study's results.

Marketing Budget. Catherine Perez gave a brief overview of the proposed 2010 Marketing budget, and Wolk explained the changes from the 2009 budget. More in-house programs are planned in order to take advantage of cost efficiencies. Minor League baseball and Hispanic promotions will be scaled back, and the budget for Foodservice will be significantly decreased. These changes are needed to allow a reasonable budget for general consumer public relations.

General Consumer Public Relations. Bruce Wolk presented a year-to-date recap of the Honey Board's 2009 general consumer public relations programs, including media outreach results, major programs completed and upcoming programs. Programs included addressing honey purity to influencers through editorial deskside visits and a new Honey Simplified brochure; educating editors at chef dinners; reaching families with



a new kids honey recipe brochure and matte releases with emphasis on pure and natural; a satellite media tour with Christopher Watt; a beauty brochure; spokesperson Mitzi Dulan promoting honey purity; minor league baseball support; and new food recipes and photography.

Minor League Baseball. Catherine Perez presented a recap of this year's Minor League Baseball promotions positioning honey as the official natural energy booster for several teams. She reviewed the key program elements including in-stadium signage, fan perception surveys, honey facts messaging on the video boards, dedicated Honey Nights, honey sampling, and more. Promotions were supported by Internet exposure, in-house programs, and our public relations agencies. Clips of radio and television interviews with Mitzi Dulan were shown. Wolk discussed on-site survey research findings, including differences in consumer perceptions of honey purchased in a supermarket compared to honey purchased at a farmers market. Criteria for team options in 2010 were presented and seven potential teams were listed. Possible 2010 program elements were also listed.

In-House Programs. Perez presented a recap of the 2009 in-house marketing program activities and ideas for 2010. The 2009 activities included the Colorado Crossroads volleyball tournament, IDEA Fitness Convention and radio remotes to support the Minor League Baseball promotion. The proposed 2010 activities include Colorado Crossroads volleyball tournament, IDEA Fitness Convention, Boston Marathon, 10 City Media Tour with Mitzi Dulan and a new "Honey and Energy" brochure.

Hispanic PR Programs. Perez and Wolk reviewed several programs within the 2009 Hispanic public relations campaign and media results. Several activities supported and tied in with Minor League Baseball promotions. Ideas for 2010 include honey as a beauty essential, vegetarian delights with honey, honey trip to Latin America, and Dulces de Halloween (Halloween Candies).

## **INDUSTRY SERVICES/FULFILLMENT**

Bruce Boynton presented the Industry Services proposed budget for 2010. Materials planned for reprinting and replenishment were distributed by Andrea Brening. Boynton asked for comments regarding NHB representation at various industry organizations. Following comments, Chairman Ashurst asked for a straw vote. There was a consensus in support of Honey Board representation at the two national beekeeping association meetings in January, plus WHPDA and NHPDA. In response to a question about Fulfillment Overhead, Sam Butler explained how Fulfillment Overhead is calculated.

**Lunch 12:00 – 1:30**

## **MARKETING, continued**

Foodservice Program. Wolk presented a year-to-date recap of the 2009 Foodservice program including promotions and advertising, culinary competitions, events and

publicity. The plan for next year is to reduce involvement in regional events and concentrate on national events to more effectively focus time and resources.

Ingredient/Baking Industry PR. Wolk presented a recap of 2009 ingredient/baking industry public relations efforts. The program set out to establish a baking-specific identity for the NHB in the baking industry and pursued a campaign focused on informing bakers about the form, functional and marketing benefits of honey. A 12-page brochure detailing the benefits of honey was produced, a new Web site was launched for baking with honey, ads were created for placement in several baking industry magazines, and the NHB was represented at two trade shows. Wolk also introduced ideas for 2010 plans.

New Product Development. Bruce Wolk presented four new product concepts developed by Premier Culinary Consulting Group, LLC. Wolk explained that the goal is to develop products with high honey usage.

Web Site. David Fenske provided an update on staff's efforts to revamp the honey.com Website. He reviewed the goals of the revision, steps taken to tackle the project, and showed actual on-line pages of the new Website. He expects the site to be ready for launch in three to four weeks.

New Tagline Plans for 2010. Bruce Wolk said a press release could be released to the industry to kick off the new tagline. The tagline could be used on all emails, brochures and official correspondence, business cards, letterhead, and the NHB tradeshow booth.

## **AGENCY REVIEW ORIENTATION**

Mark Mammen presented background information on the request for proposals (RFP's) and the agency review process. He reviewed the assignments given to the agencies and steps taken by staff and the Marketing Committee to narrow the selections. Catherine Perez reviewed the summary sheet on the finalists. The structure for Friday's presentations was explained.

## **EXPORT PROGRAM**

Bruce Boynton presented an overview of Honey Board's 2009 marketing activities in the Middle East, including pictures of in-store promotions and culinary workshops conducted by our agency in the region. Various statistics on U.S. honey exports were presented. In 2008 approximately 10 million pounds were exported, representing six percent of U.S. production. Boynton showed the primary destination countries for exported bulk and retail U.S. honey. Exports to the Middle East accounted for a little over 1 percent of U.S. production.

Boynton mentioned the recently completed market research in Israel to determine if opportunities existed in that country for increasing retail exports. While some opportunities may exist, the report pointed out that we could expect considerable resistance across Israeli government and industry stakeholders to provide U.S. suppliers with ongoing opportunities in retail sales.

The Board was asked to compare our expenditures on export marketing to the amount we spend on the baking/ingredient and foodservice segment, which together account for more than 50% of U.S. honey consumption. The future of the Export Program was discussed, with Boynton presenting options of 1) business as usual, use 2010 allocation as best possible and apply for 2011 funds, 2) use 2010 allocation but do not apply for 2011 funds, or 3) exit the export program. Boynton recommended the second or third option in order to concentrate resources on domestic issues and messaging. He noted that if the Board terminated its MAP Export Program, restarting it later could be difficult. There was discussion with further action deferred to Saturday.

## **OPEN FORUM ON INDUSTRY ISSUES**

Buddy Ashurst led an open forum on issues impacting the industry, primarily concerning the illegal importing of honey or honey replacements, transshipments, and economic adulteration/honey purity. One packer commented that blending honey with a cheaper sweetener, and selling it as such, was customer driven. Some commented that there has been a loss of business and a potential for shutting down of businesses as a result of competition from illegal transshipments and the introduction of cheap blends.

## **FRIDAY, OCTOBER 23, 2009**

The Friday session of the Board meeting was devoted entirely to presentations by four public relations agencies selected as finalists for 2010 general consumer public relations work, and discussion and evaluation of the presentations.

## **SATURDAY, OCTOBER 24, 2009**

The Saturday session of the Board meeting was convened at 9:15 a.m. by Buddy Ashurst.

### **ACTION ITEM V NEW PUBLIC RELATIONS FIRM**

Motion by Mark Mammen, seconded by Dave Ellingson and carried unanimously to have the Board retain Barkley US Public Relations Firm as its new public relations agency.

## **RESEARCH**

2010 Research Budget. Research Chair Clint Walker led the discussion of the proposed 2010 Research budget. Boynton conducted a line-by-line review and explanation of the budget. In response to a question, it was pointed out that last year's research budget was much higher because it included several projects not in the proposed 2010 budget, including tagline focus group research, use and attitude market research, and others.

## ACTION ITEM VI RESEARCH PROGRAM DEVELOPMENT

Motion by Clint Walker, seconded by Nancy Gamber-Olcott and carried to authorize the CEO to work with the Research Committee to develop a comprehensive honey research program, to be presented to the Board for action at a later date.

### **EXPORT PROGRAM**

Boynton asked if there were any questions or comments as a follow-up to Thursday's presentation about the proposed 2010 budget for export marketing.

## ACTION ITEM VII EXPORT PROGRAM TERMINATION

Motion by Mark Mammen, seconded by Clint Walker and carried to terminate the Export Program, and that the Honey Board would not participate in the Dubai event in January of 2010.

### **2010 BUDGET**

Nancy Gamber-Olcott indicated the need to refigure the proposed 2010 Honey Board budget to include the now freed-up MAP funds. Butler asked for time to make the necessary changes.

## ACTION ITEM VIII EMERGING OPPORTUNITIES

Motion by George Hansen, seconded by Nancy Gamber-Olcott and carried to place the net remainder from the MAP program in Emerging Opportunities after appropriate adjustments have been made to the budget.

Boynton asked if there was agreement and understanding that the budget included funding for two board meetings. There was discussion about the appropriate number of Board meetings per year and Butler answered questions about costs. The consensus was to stay with two Board meeting in the year unless circumstances call for additional meetings. Boynton asked if there were other suggestions for the amount of assessment revenue to use in the proposed 2010 budget. There were none. George Hansen asked if there was something budgeted for OGC assistance with compliance matters. Butler noted that we've not been billed by OGC in recent years but we could add something to the 2010 budget.

## ACTION ITEM IX DRAFT BUDGET REVISION

Motion by George Hansen, seconded by Clint Walker and carried to direct the CEO and the CFO to revise the draft Budget and submit it to the Board in the next week.

### **2010 BOARD MEETINGS**

The Spring 2010 Board meeting was scheduled for Thursday and Friday, March 18-19, 2010 in Kansas City, preferably downtown.

The Fall 2010 Board meeting was scheduled for Thursday and Friday, October 21-22, in Denver, preferably at the Warwick Hotel, with October 14-15 as an alternative date depending on the Warwick's availability.

### **BOARD ELIGIBILITY**

There was a question about the eligibility of Board members to return to the Board after their initial term is up. Kathie Notoro stated that terms ending in 2010 will end on December 31, 2010. She said all Board members are eligible to serve a second term if they are nominated and selected.

### **KIDS' RECIPE BROCHURE**

Catherine Perez asked if there was interest in printing more of the Kids' Recipe Brochure (From Honey Bees to Brain Freeze) and making it available to the industry for \$1.00 per copy, the cost of production. It was noted that the brochure will be available on the web site. It was suggested that a decision on this be deferred until the budget situation has been clarified.

Buddy Ashurst thanked Bruce Wolk, Catherine Perez and Mark Mammen for their work on the PR firm selection process.

### **ACTION ITEM X ADJOURNMENT**

Motion by Charles Kocot, seconded by Dave Ellingson and carried to adjourn.

The meeting was adjourned at 10:20 a.m.

## NATIONAL HONEY BOARD

### MEETING MINUTES

**PRESIDING:** BUDDY ASHURST, CHAIR

**LOCATION:** AUSTIN, TEXAS

**DATE:** April 23-24, 2009

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**National Honey Board Members Present:** Buddy Ashurst, Nancy Gamber-Olcott, Steven Smith, Bob Coyle, Charles Kocot, Hans Boedeker, Mark Mammen, Clint Walker and George Hansen. **Absent:** Zac Browning

**National Honey Board Staff Present:** Bruce Boynton, Bruce Wolk, Catherine Perez, Charlotte Jordan, Sam Butler, Andrea Brening. Also present were Kathie Notoro (AMS) and Mary Anne Davitt (transcriber).

**Others Present:** Brent Barkman, Ilene Miller, Nick Sargeantson, Greg Olson, Jim Phillips, David Ellingson, Doug Weinbrenner, Vincy Wong, Robina Mustafa, Nicole Pettibon, Kim Lehman

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### CALL TO ORDER

The April 2009 meeting of the National Honey Board was called to order by Chairman Buddy Ashurst on Thursday, April 23, at 8:03 a.m. Bruce Boynton called the roll.

#### ACTION ITEM I SEATING OF ALTERNATE FOR ZAC BROWNING

Motion by Clint Walker, seconded by Hans Boedeker, and carried to seat Board Alternate Dave Ellingson in place of absent Board Member Zac Browning.

#### ACTION ITEM II APPROVAL OF THE AGENDA

Moved by Mark Mammen, seconded by Bob Coyle, and carried to accept the Agenda as distributed.

### SECRETARY-TREASURER'S REPORT

Secretary-Treasurer Nancy Gamber-Olcott asked if anyone objected to dealing with several sets of minutes and an email ballot as a single consent agenda item. There were no objections.

## ACTION ITEM III CONSENT AGENDA

Motion by George Hansen, seconded by Clint Walker, and carried to approve the consent agenda.

### **FINANCIAL REVIEW**

Sam Butler explained the audited year-end review, and noted that the current financial situation is good. He asked for comments on the industry prognosis for the rest of the year with respect to both import and domestic assessments, as both are substantially down for the first quarter. There was extensive discussion about the issue.

Butler summarized each proposed budget amendment and noted the inclusion of the 2009 Treasurer's Report in the board books.

### **AMS**

Kathie Notoro said that the final termination of the old Honey Board was published in the Federal Register on Friday, April 17, with an effective date of April 20.

### **CEO REPORT**

Bruce Boynton expressed appreciation of the staff for their contributions. With more fulfillment items now being stored at the office, offsite storage rental has been reduced from two units to just one unit. He reported on a recent Commodity Roundtable that he attended in Washington, D.C.. The group of CEO's and Executive Directors meet periodically to share information on programs and issues and hear guest speakers. CEO's from marketing orders and research and promotion programs are working with USDA through a Marketing Communication Working Group to seek equity in oversight and messaging of nutritional and health-related claims. The question of how boards can make donations to charitable organizations is also being looked into. Boynton shared key points of how the Peanut Board handled marketing and media activities to respond to the recent recall in that industry.

### **MARKETING**

Bruce Wolk briefly reviewed the programs of the Marketing Department, noting that we have made all of the promotions target specific demographics, such as teens, men, families, etc., with every Honey Board promotion linked to market research. For example, the demographics of the typical honey consuming household very closely match the demographics of the families who attend Minor League Baseball games.

Wolk then listed the Board's various public relations and marketing firms by name and function: Championship Group (Minor League Baseball/Sports Promotion), Stephan & Brady (General Consumer PR), RL Public Relations (Hispanic PR programs), and Segerstrom Communications (Foodservice PR programs).

Catherine Perez reviewed the 2009 marketing budget and its percentage allocations across all marketing activity areas.

Charlotte Jordan reviewed the 2008 honey market, including AC Nielsen and what it provides for the Board, including breakdown of honey sales by varietal. Import statistics were reviewed. There was extensive discussion of the Packer Tracking Survey and its value. Currently the Packer Tracking Survey encompasses about half the annual poundage of honey packed in the US. It was noted that increased packer participation in the PTS would substantially improve the information it provides. By several measures, AC Nielsen and the PTS, retail sales of honey increased in 2008.

Bruce Wolk reviewed the first quarter marketing results for the General Consumer Public Relations program. For Q1, media relations efforts yielded more than \$500,000 in ad equivalency with more than 42 Million consumer impressions. Among the more notable results was the Test Kitchen result of an article in *Southern Living* magazine which alone was worth a substantial five figure sum in advertising. Other General Consumer discussion topics included the breakdown of the various core programs, and food and beauty initiatives to introduce consumers to different uses for honey.

There was a discussion of what market research has recently revealed in regard to a common consumer misconception of pure honey having something added. Wolk said consumers are now differentiating between honey sold at farmer's markets versus honey available in supermarkets. To that end, we have produced a "Honey Simplified" brochure explaining to consumers what is in a bottle of honey. Wolk emphasized that this mis-perception about what is in a bottle of pure honey is a serious trend that must be addressed.

Other programs reviewed for Q2 and beyond included an additional test kitchen visit, a chef honey tasting event in two cities, Family Features newspaper food insert, a New York City editor deskside visit, possible partnership with the 4-H Clubs, continuing food pitches and newspaper matte releases. There will also be a continuing beauty outreach using Christopher Watt for print, radio and television, along with beauty recipes.

Catherine Perez reviewed the Minor League Baseball (MiLB) program. Perez discussed the MiLB/Honey spokesperson, Mitzi Dulan, who is also known as "America's Nutrition Expert." Mitzi is the team nutritionist to the Kansas City Royals and Kansas City Chiefs as well as numerous minor and major league baseball players. Perez described the five teams the Board is working with this year: the Round Rock Express, Fresno Grizzlies, Gwinnett Braves, Kane County Cougars, and Toledo Mud Hens. The MiLB program activities include, among other things, one honey night per season for each team, in-stadium signage, in stadium video screen, between-innings promotions such as honey trivia, the "Kiss Your Honey" cam at the Fresno Grizzlies, a honey bear mascot, market research surveys with Honey Bear Bobble Heads give-away, stadium exit sampling, honey in the locker rooms for player nutrition and the nightly "Sweet Play of the Game!" The Honey Board has an MiLB Micro-site and radio remotes. Wolk noted that the Board's MiLB teams were specifically selected from underserved honey



markets with the potential for increasing sales; they were not chosen at random or to favor honey production or simple geographic patterns.

Perez stated that the marketing department is now bringing several activities in-house as part of an In-House Marketing Program. These activities include the Colorado Crossroads Volleyball Tournament and the 2009 IDEA World Fitness convention in Anaheim, California.

### **Hispanic Public Relations**

Wolk reviewed the 2009 Hispanic promotions. These programs include Honey Mixology, where bartenders in three cities competed for the most creative drink recipes using honey, *Futbol de Oro*, a youth soccer tournament in two cities which features the honey and energy message, MiLB coordination featuring Hispanic baseball players in Fresno, Austin and Gwinnett, Back to School with Honey promotion, and a Honey Fusion 5-course honey feast designed by top Latino chefs across the country.

The Board's Hispanic web site has been revamped to take advantage of increased Internet use among Hispanics.

### **Foodservice**

Wolk reviewed the foodservice programs. Foodservice advertising has been successfully used in publications such as *Food Arts* magazine, which caters to professional chefs. There was a high response from chefs to our offer to give-away Culinary CD's. Wolk then discussed Penton Publishing's 2008 MenuTrak Study, which indicated trends in foodservice as to honey usage. The Board continues to sponsor culinary competitions and chef events. Culinary education materials are often requested through [www.honey.com](http://www.honey.com) and it is interesting to note that virtually all requests for Culinary Education materials are made by professional chefs and culinary students.

### **Ingredient/Baking Industry – Ingredient Public Relations**

Jordan reviewed the ingredient/baking industry. Staff attended the Research Chefs Association annual conference in March to explore leads for product development vendors. Staff is working with the Arland Group, a full-service marketing and public relations agency, on ingredient promotions and advertising with the goal of driving the audience to a new website, [BakingWithHoney.com](http://BakingWithHoney.com). Promotions include a booklet on using honey, PR efforts towards baking publications, the new [BakingWithHoney.com](http://BakingWithHoney.com) website and continuing the AIB scholarship. The NHB will also exhibit at the American Bakery Expo this fall.

### **NHB Web site Revamp**

Perez talked about the need for a new Web site after the marketing and IT departments reviewed various concerns, such as difficult-to-access and outdated information, focus group feedback in their continuing interest for new honey recipes, the need for

consumer-friendly navigation, and the need to beautify the Web site. She noted that industry materials and information will stay on the Web site, but with less emphasis.

## **Tagline Research**

Wolk stated that the tagline research project has already yielded a tremendous amount of information concerning honey consumers and consumer beliefs about adulteration. He reviewed the focus groups results in detail, concentrating on the five, most favored statements that had emerged from each group, and noting that one statement, "Honey. Naturally perfect," was common to both groups. Wolk recommended taking the winning statements and putting them into quantitative testing. The winner after quantitative testing could become part of the Honey Board's PR programs, appear on the Web site, and be incorporated into the MiLB program. He stated that the tagline would be strategic, rather than tactical in nature, and could become an industry focal point. He noted that the real focus group message is that consumers believe that honey is perfect as it is and additionally that consumers were more concerned about honey maintaining its purity than issues such as country of origin or domestic versus imported honey.

## **ACTION ITEM IV FUNDING THE QUANTITATIVE PHASE OF TAGLINE RESEARCH**

Moved by Bob Coyle, seconded by Dave Ellingson, and carried to authorize up to \$20,000 for the quantitative phase of the tagline research project.

## **Budget Allocations**

Wolk gave a brief explanation of the additional budget allocations proposed for the Marketing programs with a budget amendment.

## **RESEARCH**

Charlotte Jordan gave an overview of research programs. The NHB is engaged in discussions with the Almond Board, pAM and North American Pollinator Protection Campaign to share information about funded projects, which group would be best to sponsor them, and how to avoid double funding. Other discussion included proposed market research for the consumer and foodservice audiences. The proposed research budget amendment was discussed.

The product development company Premiere Culinary has replaced Matson & Co.

## **INDUSTRY SERVICES**

Bruce Boynton gave the Industry Services update, referring to the Industry Services budget in the board books. Additional funds requested in a proposed budget amendment of \$27,000 are intended to cover a cookbook reprint, "Honey I Love You" stickers, printing of a recipe brochure "freebie", and crisis management. Clint Walker commented that the recipes in the current recipe brochure freebie, titled Sweet & Simple, are probably not appropriate for the intended purpose of the brochure. More recipes and fewer glossy images were suggested.

*Thursday's session ended at 4:00pm to allow participants to prepare for the evening Honey Night at the Round Rock Express minor league baseball game.*

The meeting reconvened at 9:10 a.m. Friday following an 8:00 a.m. executive session.

## **MAP/EXPORT MARKETING PROGRAM**

Bruce Boynton gave the export marketing update. Activities are underway in the Middle East under the direction of AMFI, the Board's Middle Eastern marketing representative. Boynton will be meeting with Simon Bakht, president of AMFI, on Monday at the NHB office to go over this year's programs. He has just received proposals for market research in Israel. The budget for market research in Israel is \$25,000. The total estimated cost for this year's export marketing activities is \$365,000. This includes \$330,000 for AMFI's contract for Middle East marketing & promotion activities, \$25,000 for Israel market research, and \$10,000 for our MAP consultant fees. Boynton distributed a handout showing U.S. honey exports to the Middle East, Japan, and Israel for 2007 and 2008.

Civil Rights Training. Civil rights training for staff and Board is required for the Board's participation in the MAP Program. Sam Butler stated that a civil rights audit is scheduled for August, in connection with which certain training materials must be completed by all staff and Board members. Butler distributed the materials to Board members and requested the signed forms be returned by June 30, 2009.

## **EMERGING OPPORTUNITIES**

Boynton reviewed the Emerging Opportunities budget. The original budget of \$80,000 was used to temporarily cover some export marketing and crisis management costs. Proposed budget amendments are intended to consolidate these costs into their appropriate focus areas, reducing the need for much of the Emerging Opportunities budget. A proposed budget amendment would reduce the Emerging Opportunities budget from \$80,000 to \$40,000. Boynton said he had visited with staff program directors to see if there were anticipated needs other than those covered in the proposed budget amendments. No other needs are anticipated at this time.

## **PUBLIC RELATIONS AGENCIES**

Mark Mammen led a discussion about the issues and procedures involved in the search for a new general PR agency for the Board. The respective roles of Board and staff and the need for clear Board direction in the search were considered, as were the kinds of agencies that should be invited to apply. The process of issuing an RFP, receiving proposals and narrowing down the selection was considered. Wolk asked that the Board permit staff take the Board's input from this discussion, combine it with their own ideas, and present a recommendation to the Board in a document he would prepare by next Friday.

## **2009 BUDGET AMENDMENTS**

There was discussion about revenues and possible lower assessments than originally budgeted. A forthcoming AMS fee for startup of the new board was mentioned by Kathie Notoro. Several Board members and Boynton spoke against the proposed decrease to the Emerging Opportunities budget.

### **ACTION ITEM V APPROVAL OF BUDGET AMENDMENTS**

Moved by Clint Walker, seconded by Nancy Gamber-Olcott, and carried to approve the proposed budget amendments with the following changes: increase the Research budget from \$102,744 to \$122,744; remove the proposed \$40,000 reduction in the Emerging Opportunities budget; decrease Assessment Revenue from \$3.8 million to \$3.5 million.

## **AUDIT REPORT**

Sam Butler reported that the independent auditor gave the Board a clean audit report: internal controls are acceptable, the reserves are proper, and the Board is in compliance with USDA requirements.

### **ACTION ITEM VI INDEPENDENT AUDIT REPORT**

Moved by Dave Ellingson, seconded by Mark Mammen, and carried to accept the independent auditor's report.

## **NEXT MEETING**

There was discussion of whether alternates should be asked to attend the next meeting. The value of alternates' contributions to the meetings was recognized by several.

### **ACTION ITEM VII ALTERNATES AT NEXT BOARD MEETING**

Moved by Bob Coyle, seconded by Hans Boedeker and carried to have the Board alternates attend the next meeting.

### **ACTION ITEM VIII NEXT BOARD MEETING DATE**

Moved by Dave Ellingson, seconded by Bob Coyle, and carried to schedule the next Board meeting in Denver, from Thursday to Saturday, October 22-24, 2009, ending at noon on Saturday.

## **STRATEGIC PLAN**

Bruce Boynton raised questions about possible revisions to the Strategic Plan. The discussion focused on Strategies 1.4.1 and 1.4.2, and focused on the Board's role in testing honey relative to the authority of the Board provided in the Act and the Order.

ACTION ITEM IX REVISIONS TO STRATEGIC PLAN

Moved by Charles Kocot, seconded by George Hansen and carried to change Strategy 1.4.1 to read "Support industry efforts to maintain honey purity," and Strategy 1.4.2 to read "Support industry testing methodologies to improve quality assurance as needed."

**ADJOURNMENT**

Chairman Ashurst asked if there was any other business. There was none.

ACTION ITEM X ADJOURNMENT

Motion by Bob Coyle, seconded by Hans Boedeker, and carried to adjourn.

The meeting was adjourned at 11:47 a.m.

**National Honey Board  
Minutes  
Telephone Conference Call  
Subject: Tagline Research and Recommendations**

**Presiding:** Buddy Ashurst, Chairperson

**Date:** Wednesday, July 1, 2009, 11:00am Mountain Time

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**Board Members Present:** Buddy Ashurst, Nancy Gamber-Olcott, Steven Smith, Bob Coyle, Hans Boedeker, Mark Mammen, Clint Walker III, Zac Browning, George Hansen (joined at 11:18)

**Absent:** Charles Kocot

**Others Present:** Kathie Notoro, AMS; Staff: Bruce Boynton, Bruce Wolk, Charlotte Jordan, Catherine Perez, Andrea Brening

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Chairman Buddy Ashurst called the meeting to order at 11:00am. Andrea Brening took roll as above.

Ashurst started by mentioning that the goal of this meeting was to obtain a motion to accept or deny the tagline research recommendations. The meeting was then turned over to Bruce Wolk to summarize the tagline research report and answer any questions. Bruce went through the report and from the research findings and the study of the five taglines suggested further research of trademark infringements on one or all of the following taglines in the recommended order:

1. Honey...The Way Nature Intended
2. Honey...Nothing But Nature
3. Honey...Naturally Perfect

Bruce advised that “Honey...Naturally Perfect” did have some negative feedback in the study because of the word “perfect” and could possibly have trademark problems.

Mark Mammen asked if the first choice “Honey...The Way Nature Intended” runs into trademark problems, are the other two choices strong enough as taglines? Wolk said “Yes, they are. These taglines have strength from both a qualitative and quantitative perspective.” Boynton said he had met with staff this morning and there was a consensus of support from staff for the recommendation of the research report and of the order of the top choices presented.

Boynton suggested that a motion doesn’t have to include all 3 taglines. We could take them one at a time.

In response to a question about the cost of doing a trademark review, Charlotte Jordan stated that she had talked with a lawyer and the approximate cost per tagline trademark review ranged from \$800 - \$2000. She said there would be no cost savings in doing a review of several taglines at a time, as each trademark review was done separately.

Bob Coyle asked if the tagline research budget of \$20,000 had been used? Wolk said that it has.

**Motion by Zac Browning, second by Nancy Gamber-Olcott, and carried unanimously to accept as first choice the recommended tagline “Honey – The Way Nature Intended” and to proceed with a trademark review to make sure there are no trademark infringements.**

**Motion by Hans Boedeker, second by Mark Mammen, and carried unanimously, to accept as second choice, in case the first choice is not available due to trademark infringements, the tagline “Honey – Nothing But Nature”, and to proceed with a trademark review only if the first choice is not available.**

**Financial Update:** Buddy Ashurst asked for a financial update. Boynton said assessment revenues have been improving for the last few months. While they were down from last year at the end of March by 29%, at the end of May they were down 19%. June domestic assessments are also up from last year. We will receive import assessments from Customs in early July and we are waiting to see what that figure will be. At that point we will review our financial position and some of the 2009 program implementations. There are currently two market

research projects on hold amounting to \$80,000, and a Hispanic promotion scheduled for the fall that we could perhaps cancel if necessary. There is a \$200,000 permanent reserve in the budget as well as a bottom line surplus that should cover things if our year-end assessment revenue is 15% below last year. If it is more than that the budget will be tight. Boynton said that he and CFO Sam Butler will be preparing a financial update for everyone within the next 1 to 2 weeks after the customs assessments are received in early July.

**Florida Standard of Identity:** Boynton said Florida is adopting a standard of identity for honey to be effective July 14<sup>th</sup>. Florida is the first state to have implemented this. There are other states such as California and Wisconsin that are working towards adopting a honey standard. This project has been spearheaded by Nancy Gentry in Florida.

**PR Agency Reviews:** Mark Mammen asked for a status on PR Agency reviews. Bruce Wolk said a wide net was cast for applicants and at this point there are about 70 agencies that have responded with a letter of intent. The deadline was Friday, June 26<sup>th</sup> and we had responses from most of the major agencies in the United States, which should generate some good competition.

Bob Coyle asked about the time frame for the agency reviews and involvement by the Marketing Committee. Wolk said the submission deadline is August 3<sup>rd</sup> and we intend to be prepared for the Marketing Committee to review a smaller group of finalists by sometime in September. Boynton said he would get back to the Board with the exact dates.

Buddy Ashurst asked if there were any other items to discuss. There being no further business to discuss the meeting was adjourned at 11:43.



## NATIONAL HONEY BOARD

### MEETING MINUTES

**PRESIDING:** BUDDY ASHURST, CHAIR

**LOCATION:** DENVER, COLORADO

**DATE:** November 17-18, 2008

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**National Honey Board Members Present:** Buddy Ashurst, Nancy Gamber-Olcott, Steven Smith, Bob Coyle, Charles Kocot, Hans Boedeker, Mark Mammen, Zac Browning, Clint Walker and George Hansen

**National Honey Board Staff Present:** Bruce Boynton, Bruce Wolk, Catherine Perez, Charlotte Jordan, Sam Butler, Andrea Brening, David Fenske, Marlys Fallon

**Others Present:** Kathie Notoro - AMS; Daniel Hearn and Kristina Hoffman - Stefan & Brady; Sally Bash - Golden Heritage Foods; Ardy Arani, Chris Davis and Larry Lubin - Championship Group; Mary Anne Davitt - Transcriber

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### CALL TO ORDER

The November 2008 meeting of the National Honey Board was called to order by Chairman Buddy Ashurst on Monday, November 17, at 8:10 a.m. Bruce Boynton called the roll.

### ACTION ITEM I AGENDA

Motion by Hans Boedeker, seconded by Bob Coyle, and carried to accept the Agenda as distributed.

### FINANCES

#### Secretary-Treasurer's Report

Secretary-Treasurer Nancy Gamber-Olcott asked for a motion to approve the minutes of the September 4 board meeting.

### ACTION ITEM II APPROVAL OF MINUTES

Motion by Clint Walker, seconded by Mark Mammen, and carried to accept the September 4, 2008 minutes.

## **Financial Review**

Sam Butler reviewed the financials and invited comments about their format, which is presently similar to those of the previous board. He noted that the Board's cash on deposit in U.S. Bank is fully collateralized in accordance with federal regulations with a rate of return of prime plus one percent. Kathie Notoro added that the USDA makes sure the assets of the Honey Board and many other boards are protected by reviewing the collateralization on a quarterly basis. There was discussion of the reserves for the possible future U.S.-only honey board (\$58,753) and for anticipated refunds (\$190,000). Butler stated that the reserve for the U.S.-only board was required by the USDA at the time of the asset sale from the old National Honey Board to the new National Honey Board and has been physically set aside in a separate bank account. The reserve for anticipated importer refunds is a best estimate based on 5% of total assessments. It was noted that the estimate is likely high to be conservative. Butler said staff salaries are allocated to the focus areas based on an estimate of time spent by the staff in each area.

Assignment and Assumption Agreement: Butler stated that dollar amounts for the assigned research contracts were added to the Assignment and Assumption Agreement approved by the Board at its September 4, 2008 meeting at the request of the Board's auditors. Boynton noted that this was the same agreement, but exact dollar amounts were not available at that time.

### **ACTION ITEM III REVISED ASSIGNMENT AND ASSUMPTION AGREEMENT**

Motion by Hans Boedeker, seconded by George Hansen, and carried to accept the revised Assignment and Assumption Agreement.

## **AMS**

Kathie Notoro stated that she had nothing new to report since the September meeting. She is working with the new staff. Butler and others expressed appreciation to Notoro for her work during the transition.

## **PRELIMINARY BYLAWS COMMITTEE REPORT**

George Hansen, Bylaws Committee Chair, gave a brief preview of the proposed changes, with detailed discussion scheduled for the following day.

## **MARKETING**

Bruce Wolk explained upcoming marketing presentations and briefly introduced the PR agencies retained by the Board: Stephan & Brady (General Consumer Public Relations), RL Public Relations (Hispanic Marketing) , Championship Group (Sports Marketing and Minor League Baseball), and Segerstrom Communications (Foodservice).

## **Marketing Budget**

Bruce Wolk talked about the marketing budget, noting that the new marketing strategy will concentrate on fewer, larger programs intended to last for several years. Emphasis will be on the “pure honey” message. Wolk noted that there remains confusion among consumers as to what is in a bottle of honey. While consumers understand that honey is made by bees, a significant percentage of them believe that something is added along the way when honey is bottled.

## **Minor League Baseball**

Catherine Perez opened the Minor League Baseball presentation with a demographic comparison of Minor League Baseball fans and honey consumers. Bruce Wolk noted that Minor League Baseball is a huge opportunity for the honey industry, with its focus on the entire family. He reviewed the results of this past summer’s three test markets – Raleigh, Sacramento and Des Moines.

Ardy Arani, President of the Championship Group, proposed an expansion of the Honey Board’s 2008 Minor League Baseball promotions for 2009. Larry Lubin, Vice president of the Championship Group, gave a recap of the 2008 test program, the market research gained from the promotion, lessons learned, feedback, and next steps. Lubin noted that Minor League Baseball, with a fan base larger than the combined NFL, NBA and NHL, is a \$500M industry with an extended season of April through September. The teams are community oriented, and the ballparks are intimate, interactive, and present an excellent value for the money. It was noted that the teams went out of their way to work with the National Honey Board. Honey, highlighted as “The Official Natural Energy Booster” of each team, was a message well received by the fans. The test program also underscored the importance of affiliating with teams that have strong promotional capabilities.

It was recommended that future such programs be expanded to include at least five teams, especially in underdeveloped honey markets. Honey’s status as “The Official Natural Energy Booster” should continue. The question of what individual packers could do in connection with these games was raised. Staff will keep the board informed about planned Minor League Baseball promotions.

## **GENERAL MARKETING AND PUBLIC RELATIONS**

### **Stephan & Brady**

Kristina Hoffman, Vice President of Stephan & Brady agency, reviewed S&B’s 2008 Honey Board programs. These included the national consumer media outreach in the first half of the year, with high exposure and ad equivalencies, test kitchen visits, sample mailings of major national placements, online campaigns, and Minor League Baseball coverage with spokesperson Turk Wendell. A major editor event is scheduled for early December in Los Angeles, with featured keynote speakers.

Tag Line. Daniel Hearn, Executive VP of Stephan & Brady, presented S&B's 2009 initial planning, noting a trend in the belief that there is more than just honey in a jar, a trend that is extending to younger generations. The strategy to address this includes observing the trend, developing a tag line, a selling line, and an overarching theme, and developing a connecting theme to address the marketing challenge. The highly successful tag lines of Nike's "Just do it" slogan and the milk industry's "Got Milk" illustrated S&B's aim to develop a similar type of strategic message for the honey industry to clear up confusion about honey content. Hearn reviewed the steps in developing an effective tag line.

The budget and timeframe for developing this strategy were discussed. It was suggested that the process, including the creative process, trademark search and research, could be concluded four to five months after S&B receives Board approval and a number of potential tag lines will be brought to the Board for initial review and winnowing. The sum of \$50,000 was given as the estimate for the components of the program.

Other Strategy Areas. Other strategy areas include educating consumers with a comprehensive communications program, concentrating on fewer and larger programs, program longevity, honey bottle contents, and relating honey to green messaging whenever possible.

Marketing Research. Hoffman presented the idea of an educational micro site focusing on the pure and "nothing added" properties of honey, with consumer friendly diagrams on how honey is made, Q&As and interactive components, including video. Targeted online advertising will be used to reach consumers with the pure honey messaging and banner ads will be used to encourage click-through to the micro site. Hard copy and online brochures will be developed and distributed to the honey industry and directly to consumers during Minor League Baseball events. Potential spokespeople were mentioned, as were an e-newsletter, sampling to keep honey top-of-mind with key editors, ongoing beauty media relations activities and Minor League Baseball PR support. Discussion included concern for the ingredient market, effective use of the Internet, and the cost effectiveness of spokespeople. Concern about the effectiveness of any celebrity spokesperson and the dollar amount of the proposed budget for this idea resulted in the request to limit the budget for a spokesperson to \$25,000 to \$30,000 to be used by staff as needed. The Board was asked for input on ingredient sales, and whether Stephan & Brady should be invited to present a proposal on the topic.

### **Hispanic Public Relations**

2008 Activities. Yanka Burgos reviewed RL Public Relations' 2008 activities, including *Carnaval de las Americas*, Christopher Watt Beauty Secrets, Summer Grilling with Honey, and Honey Throat Soothers (building on traditional Hispanic remedy beliefs).

2009 PR Plan. The 2009 Hispanic PR work plan targets US-based *Latinas*, Latino Families and Kids, with the objectives of driving consumption of 100% pure honey,

reinforcing the message of honey purity, and leveraging themes that carry over from year to year. The World Baseball Classic will be a special focus, as will Minor League Baseball with a Hispanic PR overlay such as player interviews. Other possible programs include Honey Mixology, where mixed honey drinks are presented to consumers, and Back-to-School snack recipes

### **Food Ingredient Market**

Daniel Hearn discussed ideas on the food ingredients business. He reviewed Stephan & Brady's background in ingredient marketing and listed the tasks involved in such a marketing direction.

### **Budget Allocations**

Bruce Wolk briefly presented some preliminary ideas to reallocate funds from the budget for a celebrity spokesperson, since that budget item did not have board support.

## **STRATEGIC PLAN**

Bruce Boynton led the discussion of the Strategic Plan.

Focus Area 1: Research Strategy 1.4.2 was discussed in some depth.

ACTION ITEM IV STRATEGY 1.4.2

Motion by Bob Coyle, seconded by Hans Boedeker, and carried to revise the language of Strategy 1.4.2 to read, "Support testing methodologies to ensure quality assurance as needed."

Focus Area 2: Industry Services

ACTION ITEM V STRATEGY 2.1.3

Motion by George Hansen, seconded by Clint Walker, and carried to add new Strategy 2.1.3, "Disseminate results of production research to the industry in a timely manner."

ACTION ITEM VI STRATEGY 2.2.1

Motion by Clint Walker, seconded by Steve Smith, and carried to revise the language of Strategy 2.2.1 to read, "Communicate NHB activities to the honey industry."

ACTION ITEM VII STRATEGY 2.2.4

Motion by Mark Mammen, seconded by Clint Walker, and carried to revise the language of Strategy 2.2.4 to read, "Provide information about National Honey Board programs and activities to state, regional and national industry organizations."

ACTION ITEM VIII STRATEGY 2.4.3

Motion by Charles Kocot, seconded by Bob Coyle, and carried to delete the strategy.

Focus Area 3: Marketing and Promotion

There were no revisions to Focus Area 3 at this time.

**BOARD-STAFF RESPONSIBILITY EXERCISE**

Bruce Boynton led the Board and Staff in an exercise designed to clarify the allocation of responsibilities.

The November 17 session ended at 5:30 p.m.

## **TUESDAY, NOVEMBER 18**

Buddy Ashurst convened the Tuesday, November 18, session at 9:15 a.m.

### **BYLAWS**

George Hansen, Bylaws Committee Chair, led the Board in a review of the proposed Bylaws.

#### **ACTION ITEM IX ARTICLE IV, OFFICERS, SECTION 1, OPTION 2**

Motion by Nancy Gamber-Olcott, seconded by Bob Coyle, and carried to accept Article IV, Section 1, Option 2 (no restriction on choice of officers).

#### **ACTION ITEM X ARTICLE VIII, MEETINGS**

Motion by George Hansen, seconded by Mark Mammen, and carried to amend the proposed Bylaws Article VIII, Section 1 to read, "The Board shall hold its Annual Meeting after January 1."

#### **ACTION ITEM XI ACCEPTANCE OF PROPOSED BYLAWS**

Motion by Zac Browning, seconded by George Hansen, and carried to approve the proposed Bylaws as amended.

### **COMMITTEE ROLES AND RESPONSIBILITIES**

Bob Coyle conducted a line by line review of the "Draft Committee Roles and Responsibilities, Appendix 1, National Honey Board Bylaws."

#### **Committee Limitations**

There was discussion about the final sentence of the "Committee Limitations" section, which outlines committee involvement in implementation of activities or services.

#### **ACTION ITEM XII COMMITTEE INVOLVEMENT IN IMPLEMENTATION OF ACTIVITIES OR SERVICES**

Motion by Bob Coyle, seconded by George Hansen, and carried to revise the final sentence of the Committee Limitations section to read, "Committee members and committee chairpersons may become involved in the implementation of activities or services only at the request or approval of staff."

There was discussion about the budget changes sentence of the "Committee Limitations" section, but no changes were made.

## ACTION ITEM XIII COMMITTEE ROLES AND RESPONSIBILITIES

Motion by Bob Coyle, seconded by Clint Walker, and carried to accept the proposed Committee Roles and Responsibilities as revised.

Buddy Ashurst expressed appreciation to George Hansen, Bob Coyle and Charles Kocot for their work on the new Bylaws

## INDUSTRY SERVICES

Bruce Boynton presented the Industry Services report. A rewrite of the Honey & Wellness brochure is needed. The list of proposed fulfillment materials reprints was presented. The Issue Briefing on industry freebies was discussed in detail. The value of freebies as a low cost, high impact way of getting information into the hands of consumers by using the network of volunteers was noted. Other options for disseminating this information were discussed.

## ACTION ITEM XIV CONTINUE POLICY OF INDUSTRY FREEBIES

Motion by Clint Walker, seconded by Nancy Gamber-Olcott, and carried that the National Honey Board continue providing freebies to the industry, including for large public events, as needed.

### Honey Locator Listing Fees

Bruce Boynton reviewed the Honey Locator Listing Fees Issue Briefing, and there was discussion about this topic and the need for some control over the list of participants.

## ACTION ITEM XV HONEY LOCATOR LISTING FEES

Motion by Steve Smith, seconded by Zac Browning, and carried that current participants in the Honey Locator be grandfathered in at the beginning of 2009, and that new non-assessment paying participants be required to pay a one-time \$50.00 enrollment fee, with all participants required to renew online annually.

### Industry Communications

Bruce Boynton reconfirmed that there is nothing in the budget for a hardcopy newsletter.

## APPLIED SCIENCE AND RESEARCH

### Updates

Product to Market Update Charlotte Jordan gave the product-to-market update, including Bee MD (cough drop), and Honibe solid honey (which is on Canada's top 10 innovator list and voted the best new condiment of 2008 at Americas Food and



Beverage Show). CafePress is selling direct order T-shirts and tote bags that promote honey in baking.

Starbucks Update In 2007 NHB marketing staff gave a presentation at Starbucks, which recently introduced products sweetened with honey.

### **2009 Promotions**

The 2009 promotion focus will be on the National Honey Board as a technical resource. Further recipe development is planned, and Jordan intends to reformulate existing recipes to conform to bakers' cooking measurements (weight and percentage) through a formula exchange. Advertising will be aimed at boutique bakeries via specialty publications such as Modern Baking Magazine and Baking Buyer.

### **Standard of Identity**

The standard of identity question was briefly considered, and it was noted that the NHB has done what it can, although industry groups continue to pursue other avenues.

### **Research**

Applied Sciences – Functional Foods Jordan discussed proposals by Mattson, including Solid Honey Phase VI, which involves joining honey with cane sugar. There was extensive discussion, with concern expressed about potential damage to the pure image of honey. Interest was expressed in tapping into the sweetener market. The difference between a honey blend and adulterated honey was considered, along with issues of misleading labeling and consumer fraud. A question was raised about the actual percentage of honey that might end up in the proposed product. Jordan recommended asking Mattson for a revised proposal for technical feasibility research before deciding whether to move forward on the project.

Research Chefs Association Jordan discussed options for finding product developers with the RCA.

The Research presentation was stopped at this point to make room for the Food Service presentation and a guest speaker before lunch.

## **FOOD SERVICE MARKETING**

Catherine Perez opened the presentation in Food Service marketing. She explained the shift in Foodservice activities for 2009 away from generic programs to restaurants and chain operations, with the aim of reaching chefs, culinary educators and culinary schools with instructions in the use and potential of honey.

Chef Education activities include student recipe competitions, association with the American Culinary Federation, a major chef organization with a focus on chef education and a membership eager to learn new techniques and ingredients. Ongoing publicity

efforts are directed at writers and editors of magazines reaching food service professionals, conferences and events.

### **Guest Speaker**

Chef Jorge de la Torre, Dean of Culinary Education at the College of Culinary Arts of Johnson & Wales University (Denver) spoke to the Board about the JWU Culinary Student Competition and the positive impact the Board-sponsored competitions have had on its students, their creativity, and their future in the food industry. Torres expressed deep gratitude for the Honey Board's support.

Lunch break: 12:00 – 1:30

### **APPLIED SCIENCE AND RESEARCH (continued)**

New Concepts Proposals (continued) Charlotte Jordan discussed Mattson's new Honey Sweeeeet consumer concept, aimed at combining clover honey and cane juice. Jordan will approach Mattson for a bid on the initial research, and forward the revised proposal to the board for an email vote on the project.

### **Ongoing Production Research Updates**

All previous production research projects have been finished and published. Results from previous projects include papers on Cyclodextrin and on Chemical Identification. Ongoing projects have timelines ending in late 2008 or early 2009.

### **Production Research 2009**

Jordan noted that \$148,000 is available for production research in 2009 and asked the Board for guidance on the proposal review process. Buddy Ashurst asked Clint Walker to chair the Research Committee, with two production Board members on the committee. There was discussion about the role of the entire Board in selection of proposals, and the consensus was that full Board approval was not necessary.

### **Basic Research Update**

Disease risk indicators Jordan stated that a study showing that triglycerides are slightly lower for honey users than sucrose users was the most promising and described a follow-up two-year study of this by Dr. Kern being funded by the American Heart Association.

Body Weight Regulation This is a study analyzing the relationship between honey and hunger hormones. It will be complete in early 2009.

Other avenues of research include honey as an energy source for athletes, a New Zealand study of the antioxidant properties of honey, a calcium study finished in 2005 and just published in Journal of Agriculture and Food Chemistry that shows an initial boost in calcium with the use of honey, but no increase in bone density over the long

term. Jordan noted that this research result, while helpful, does not show clear direction for future Honey Board research funding.

### **Other 2009 Research**

Beauty Research NHB is currently conducting a literature review and will follow up with a research study to address hydration, exfoliation, and blemish treatment.

Pollination Study This will be an update of the 2000 Cornell study, based on 1998 statistics, which is frequently cited.

Honey's Carbon Footprint This study is aimed at understanding food and life cycle energy inputs, the consequences of diet, and ways to increase efficiency. The study will be conducted by Gail Feenstra, Food Systems Analyst at the UC Davis Agricultural Sustainability Institute. It will include a literature review, interviews, and a data analysis tool.

### **Dr. White's Penn State Papers**

Boynton described a letter from Jerry Probst to the Board summarizing what is there, why the papers should be available, and why the Honey Board should be involved in their publication. There was discussion about making the materials available on the Honey Board website.

### **ACTION ITEM XVI DR. WHITE'S PAPERS**

Motion by George Hansen, seconded by Hans Boedeker, and carried to direct the CEO to work with Jerry Probst to review the White Penn State bee research papers and to post them on the Honey Board website.

### **INTERNATIONAL MARKETING**

Bruce Boynton reviewed the history of the Honey Board's international marketing efforts and association with the MAP funding from FAS. He showed total US honey exports since 2002, by year, the primary export destinations, and the largest importing countries by retail and bulk. He reviewed the timing of applications to FAS and said notification from FAS on MAP funding usually comes after the start of the year with additions often made during the year. Other challenges with exporting US honey include the lack of a standard of identity and the lack of an industry-wide quality control program. He presented the figures and proposed activities that were in the application for 2009 MAP funding. Part of the application included funding for market research in Korea, as well as activities in the Middle East and Japan. Questions were raised about the profitability of increased bulk exports to Japan relative to the cost of the promotions. He opined that funding probably wouldn't be sufficient for all three areas of Middle East, Japan and Korea. Boynton asked where the board wanted to go from here but said no decision was needed at this time, and we could wait and see what MAP funding we get from FAS for 2009 before deciding next steps.

## **BUDGET**

Sam Butler presented the proposed program budgets for 2009 and explained the background of the \$3,800,000 budget for assessment revenue. He also noted that the wages & salaries budget included eight positions versus ten positions in the 2008 budget. Kathie Notoro observed that importers have been notified of their entitlement to a refund by publication in the Federal Register, and they must apply within 90 days after the end of 2008. Boynton noted that the budget provided for the hiring of an administrative assistant only if needed. His plan is to have the new receptionist/fulfillment coordinator assume many of those duties.

### **ACTION ITEM XVII BUDGET**

Motion by Nancy Gamber-Olcott, seconded by Charles Kocot, and carried to accept the 2009 proposed Budget as presented.

### **Next Meeting**

After discussion, a decision on the date and location of the next meeting was deferred for further consideration.

## **COMMITTEE ASSIGNMENTS**

Chairman Ashurst made the following committee appointments:

Finance — Nancy Gamber-Olcott (Committee Chairperson), Hans Boedeker and Charles Kocot.

Marketing — Mark Mammen (Committee Chairperson), and Bob Coyle and Steve Smith.

Research — Clint Walker (Committee Chairperson), George Hansen, Zac Browning

### **ACTION ITEM XVIII ADJOURNMENT**

Motion by Clint Walker, seconded by Hans Boedeker, and carried to adjourn.

Bruce Boynton expressed thanks to the Board and Staff.

The meeting was adjourned at 3:00 p.m.

## HONEY PACKERS AND IMPORTERS BOARD

### MEETING MINUTES

**PRESIDING:** BUDDY ASHURST, CHAIR

**LOCATION:** DENVER, COLORADO

**DATE:** September 4, 2008

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**Honey Packers and Importers Board Members Present:** Buddy Ashurst, Nancy Gamber-Olcott, Steven Smith, Bob Coyle, Charles Kocot, Hans Boedeker, Mark Mammen, Zac Browning, Clint Walker and George Hansen

**Honey Packers and Importers Board Alternates Present:** Ilene Miller, Jim Phillips, Brent Barkman, Elise Gagnon, Gregory Olsen, Robert Brandi, David Ellingson, and Bonnie Woodworth

**Honey Packers and Importers Board Alternate Members Absent:** Nicholas Sargeantson, Mark Brady

**Others Present:** Sonia Jiménez (Chief F&V Research and Promotion Branch, USDA Agricultural Marketing Service), Kathie Notoro (Marketing Specialist F&V R&B Branch and HPIB Liaison), Sally Bash, Bruce Boynton (CEO National Honey Board), and Mary Anne Davitt (Transcriber)

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### CALL TO ORDER

The September 4, 2008 organizational meeting of the Honey Packers and Importers Board was called to order by Sonia Jiménez at 8:05 a.m. Kathie Notoro called the roll.

### BOARD ORIENTATION

Jiménez and Notoro conducted the Board Orientation, with a PowerPoint presentation by Notoro covering the USDA structure, with special attention to the Fruit and Vegetable Program, AMS, and commodity boards. She reviewed the legislative authority for the Honey Packers and Importers Program, including structures, provisions and permitted changes. The USDA oversight role was explained in detail, with attention to its role in responding to FOIA requests, representing commodity boards before other government agencies, conducting continuation referenda, reviewing and approving board budgets, amendments, contracts, assessment rates, board policies and bylaws, and promotion projects, reviewing annual audits, monitoring overall activities of boards and staffs, and board nominations.

Notoro reviewed HPIB member responsibilities, which include knowing the Act and Order, administering Board programs, knowing Board plans and policies, working collectively and participating in deliberation and discussion, disclosing conflicts and potential conflicts of interest and abstain from voting in those instances; understanding and following the policy prohibiting use of check-off funds for purposes of legislative influence. She reviewed Board member accountability, and the requirement for generic advertising, and cautioned against pressure to solve all industry problems, using Board funds for unauthorized activities, disparaging other agricultural commodities, or lobbying while in the role of Board member.

## **ELECTION OF OFFICERS**

In response to Notoro's question, Board members indicated their preference for a secret ballot, rather than a show of hands, in the election of officers.

### **Officer Term Lengths**

It was noted that appointments are based on the calendar year, beginning January 1. There was some discussion about the term lengths of the first officers, whether from the date of this meeting (September 4, 2008) to January 1, 2009 or to January 1, 2010.

### **ACTION I -- INITIAL OFFICER TERM LENGTH**

Moved by Bob Coyle, seconded by George Hansen, and carried that the term of the first slate of officers extend until January 2010, and that subsequent terms be one year, unless the bylaws state otherwise.

### **Officer Positions**

There was discussion about the appropriate number of officer positions, the different positions, and the need for an executive committee at this time, given the small size of the Board and the need for full board involvement during the new Board start-up.

### **ACTION II -- OFFICER POSITIONS**

Motion by Clint Walker to create the positions of Chair, Vice Chair, Secretary and Treasurer, with two additional positions for the Executive Committee.

Motion by Hans Boedeker, seconded by Zac Browning, and carried to amend the original motion to create three officer positions for the Honey Packer and Importer Board: Chairman, Vice-Chair, and Secretary/Treasurer.

The original motion carried as amended.

## **NOMINATIONS**

### **Chairperson**

Notoro called for nominations for Chairperson. The name of Buddy Ashurst was placed in nomination. There were no other nominations.

### ACTION III -- ELECTION OF CHAIRPERSON

Moved by George Hansen, seconded by Mark Mammen, and carried to close nominations and cast a unanimous ballot for Buddy Ashurst as Chairperson of the Honey Packers and Importers Board.

Buddy Ashurst assumed the position of Chairperson and conducted the remainder of the meeting.

### Vice-Chairperson

The names of Bob Coyle, Clint Walker, and Nancy Gamber-Olcott were placed in nomination for the position of Vice-Chairperson. Coyle and Gamber-Olcott withdrew their names.

### ACTION IV -- ELECTION OF VICE-CHAIRPERSON

Moved by George Hansen, seconded by Bob Coyle, and carried to close nominations and cast a unanimous ballot for Clint Walker as Vice-Chairperson of the Honey Packers and Importers Board.

### Secretary/Treasurer

The name of Nancy Gamber-Olcott was placed in nomination for the position of Secretary/Treasurer.

### ACTION V -- ELECTION OF SECRETARY/TREASURER

Moved by George Hansen, seconded by Hans Boedeker, and carried to close nominations and cast a unanimous ballot for Nancy Gamber-Olcott as Secretary/Treasurer of the Honey Packers and Importers Board.

### **NAME OF THE BOARD**

There was discussion about retaining "National Honey Board" as the name of the new Board. The discussion covered legality, trademark and ownership, advantages of keeping the existing name, websites, letterhead, and minimizing confusion.

### ACTION VI -- SECURING THE NAME AND TRADEMARK OF THE NATIONAL HONEY BOARD

Moved by Bob Coyle, seconded by George Hansen, and carried to instruct the officers to attempt to secure the name and trademark of the National Honey Board.

### **CEO**

There was discussion about hiring Bruce Boynton to serve as CEO of the new Board: Bob Coyle and others spoke highly of his work for the NHB, and there was a consensus that he be asked to continue. Discussion centered on the logistics of contract term, job description, salary/cost of living increase. (note: Bruce Boynton left the room during the discussion)

ACTION VII -- RETAINING BRUCE BOYNTON AS CEO

Moved by Bob Coyle, seconded by Mark Mammen, and carried to retain the services of Bruce Boynton under his current contract until January 2010.

Boynton re-entered the room and was informed by Chairman Ashurst of the board's decision. Boynton expressed his appreciation of the Board's confidence.

**STAFF ISSUES**

There was discussion of matters pertaining to the Board's retention of staff, with a consensus that hiring/firing decisions be vested with the CEO. Boynton expressed his concern to ensure that staff benefits continue.

ACTION VIII -- NATIONAL HONEY BOARD BYLAWS ARTICLE VII

Moved by Zac Browning, seconded by George Hansen to adopt Article VII of the National Honey Board Bylaws.

(Friendly) Motion by Clint Walker, seconded by George Hansen and carried to add to the language of Article VII "wages **and benefits**" within the budget.

The original motion carried as amended.

**EXECUTIVE SESSION**

The Board met for a short time in executive session.

**OFFICE AND LEASE**

ACTION IX -- OFFICE AND ASSUMPTION OF LEASE OBLIGATIONS

Moved by Hans Boedeker, seconded by Clint Walker, and carried to keep the office and assume the lease obligations of the National Honey Board board.

**BANK ACCOUNTS**

ACTION X -- NEW BANK ACCOUNTS

Moved by Clint Walker, seconded by Nancy Gamber-Olcott, and carried to open an operating account and a payroll account with US Bank.

**RESEARCH CONTRACTS**

Bruce Boynton circulated a list of research contracts, with projections of possible pay downs of the contract balances by the old National Honey Board. Clint Walker commended Boynton and Sam Butler for their management of the finances. Boynton stated that assignment of these contracts to the new board is subject to approval by the National Honey Board Trustees as well as the new board.



## ACTION XI -- ASSIGNMENT AND ASSUMPTION OF AGREEMENTS

Moved by George Hansen, seconded by Steve Smith, and carried to accept the assignment and assumption of agreements and related research contracts as presented, pending approval by the National Honey Board Trustees.

## **EMPLOYEE BENEFITS**

Moved by George Hansen, seconded by Nancy Gamber-Olcott, and carried to authorize the CEO to implement the same or equitable employee benefits (including new SEP and FSA plans to replace old plans that must be terminated) for employees as were given or earned under employment with the NHB.

## **PURCHASE OF ASSETS**

Boynton distributed a summary valuation and lists of assets owned by the old National Honey Board for the new Board to consider purchasing. It was noted that 35% of the agreed upon valuation would be held in a fund by the new board for the prospective producer board, with the remainder returned to, or remaining with, the Honey Packers and Importers Board. There will be no cash transaction between the new board and the old National Honey Board. It was explained that the 35% figure was based on a three year average of proportionate assessments received by the National Honey Board. Sonia Jiménez stated that if the producer referendum failed, the money could, by AMS decision, be returned to the assessment payers or given to a honey organization that conducts programs, such as the Honey Packers and Importers Board. She noted that the current Honey Board has documented the valuation of its property, in case the valuation is challenged.

## ACTION XII -- PURCHASE OF ASSETS

Moved by Clint Walker, seconded by Hans Boedeker, and carried to purchase the physical assets of the National Honey Board for \$167,866, pending approval by the National Honey Board Trustees.

## **MAP PROGRAM**

Bruce Boynton gave a brief explanation of the USDA MAP export development program and mentioned the National Honey Board's participation in the program with activities in Japan and the Middle East. He noted that the Honey Board is required by the Foreign Agricultural service (FAS) to match the MAP grant with a 113% contribution, some of which can consist of a percentage of staff salaries and administrative expenses, sometimes called soft dollars. Boynton said in order for the new board to continue participating in the MAP program, and to complete the 2008 activities already approved by FAS, the board would need to sign a letter requested by FAS to document the board's request and desire to continue the program.

## ACTION XIII -- CONTINUATION OF MAP PARTICIPATION

Moved by Clint Walker, seconded by Hans Boedeker, and carried that the Packers and Importers Board wishes to continue the NHB's MAP-funded export development

programs and activities already approved by FAS for the calendar year 2008 and wishes to continue the commitment of promoting U.S. honey in foreign markets.

## **2008 BUDGET**

Bruce Boynton conducted a line-item review of a proposed budget for the remainder of 2008. He emphasized that the proposed budget was of necessity based upon a series of assumptions, and stated that another meeting would be needed before the end of the year for in-depth budget and goal discussions for 2009. In response to questions about staff and agency work, he stated that staff would continue to work with the NHB's public relations agencies to develop activities for the 4<sup>th</sup> quarter. He noted that Stephan & Brady is the public relations agency for general consumer activities and the RL public relations agency is the agency used for Hispanic consumer activities. Contracts with our agencies can be signed once a budget is approved by AMS.,

Boynton noted that a reserve was not included in the proposed budget, but that one would be included in the budget sent to AMS, along with start-up and implementation costs charged by AMS.

### ACTION XIV -- APPROVAL OF PROPOSED BUDGET

Moved by George Hansen, seconded by Charles Kocot, and carried to accept the proposed budget for the final quarter of 2008, with the following changes: reduce the industry meeting budget from \$10,000 to \$2,000, eliminate the \$3,500 Quality Assurance Program promotional brochure, add a \$100,000 reserve, and add \$40,000 for implementation and start-up costs to AMS.

## **COMMITTEE APPOINTMENTS**

There was discussion of what committees would be needed. Boynton noted that such committees are typically defined in an organization's bylaws. Buddy Ashurst appointed a Bylaws Committee consisting of George Hansen, Charley Kocot and Bob Coyle, and asked the committee to bring the proposed bylaws to the entire Board. The remaining committees would be appointed after approval of the bylaws.

## **NEXT BOARD MEETING**

After discussion, Monday-Tuesday, November 17-18, 2008 was selected by consensus as the date for the next Board meeting, with Denver as the preferred location. Alternates would be welcome, but their expenses would not be covered by the Board. There was additional discussion about the number of meetings needed in a year; the consensus was that the frequency of meetings should be need-based, and not addressed in the bylaws.

## **INSURANCE COVERAGE**

The insurance required for the Board includes property, general liability, workers comp, travel, and Directors & Officers. The need for immediate coverage for the HPIB was

emphasized, as well as the need for coverage of the Trustees of the NHB and for the current employees. It was noted that the NHB is already covered.

#### ACTION XV -- INSURANCE COVERAGE

Moved by George Hansen, seconded by Hans Boedeker, and carried to ensure that the Honey Packers and Importers Board has full insurance coverage, and that Sam Butler is to be responsible for this.

#### **NHB LOGO AND DOMAIN NAMES**

Upon being advised that the NHB Trustees had voted to assign the NHB trademark logo and domain names to the HPIB, the Board availed itself of this opportunity.

#### ACTION XVI -- ACCEPTANCE OF LOGO AND DOMAIN NAME ASSIGNMENT

Motion by Steve Smith, seconded by Bob Coyle, and carried to accept the assignment of the NHB logo and domain name from the NHB Trustees.

#### **OTHER BUSINESS ACTIVITIES**

The officers signed the appropriate bank forms. Boynton stated that the normal NHB reimbursement policy was in effect for reimbursing board members and alternates for attending this meeting. Reimbursement claims can be sent to Boynton at the NHB office. He noted that today Sam Butler had already acquired a federal ID number for the Honey Packers and Importers Board under the name "National Honey Board," and opined that this name might, therefore, not be a problem for the bank in connection with the new bank accounts.

Boynton then conducted an informal activity on Board vs. Staff roles and distributed a handout on Committee Roles and Responsibilities. A copy of an article titled "The Perils of Strategic Planning" was also distributed.

#### **PAYROLL TIMING AND OTHER BUSINESS**

Boynton asked for a date to begin HPIB responsibility for the payroll. Nancy Gamber-Olcott suggested that the end of September was the end of the quarter, and would be an appropriate change-over point.

Boynton stated that the final National Honey Board financial audit could likely take place sometime in October, after all NHB bills are paid. Jiménez stated that formal termination of the National Honey Board would happen after the final audit and with publication of a termination Order in the Federal Register.

#### **ADJOURNMENT**

Moved by Bob Coyle/Hans Boedeker, seconded by Hans Boedeker, and carried to adjourn.

The meeting was adjourned at 3:35 p.m.