

NATIONAL WATERMELON PROMOTION BOARD



FISCAL YEAR 2018-2019
ANNUAL REPORT

Statement of Financial Position

National Watermelon Promotion Board

Statements of Financial Position

<i>March 31,</i>	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,389,356	\$ 1,723,131
Accounts receivable	154,226	114,939
MAP program receivable	78,661	75,310
Prepaid expenses	63,361	47,005
Certificates of deposit	697,997	679,845
Total current assets	2,383,601	2,640,230
Property and equipment, net	40,684	65,415
Deposits	5,007	5,007
	\$ 2,429,292	\$ 2,710,652
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 69,746	\$ 61,005
Related party payables	—	1,517
Accrued payroll	105,141	96,333
Capital lease obligations	845	5,495
Total current liabilities	175,732	164,350
Long-term liabilities:		
Capital lease obligations, less current portion	—	845
Total liabilities	175,732	165,195
Commitments and contingencies (Notes 4, 5 and 8)		
Net assets without donor restrictions:		
Board designated for frozen reserve	663,000	663,000
Undesignated	1,590,560	1,882,457
Total net assets without donor restrictions	2,253,560	2,545,457
	\$ 2,429,292	\$ 2,710,652

See accompanying notes to financial statements.

Statement of Activities

National Watermelon Promotion Board

Statements of Activities

<i>Year Ended March 31,</i>	2019	2018
Revenues:		
Assessments - domestic	\$ 2,174,933	\$ 2,204,047
Assessments - import	1,007,625	1,026,139
MAP program revenue	149,644	161,385
Penalties and interest from assessments	26,496	18,934
Interest and other income	62,176	5,186
Total revenues	3,420,874	3,415,691
Expenses:		
Program expenses	2,997,880	2,902,327
General and administrative expenses	714,891	619,313
Total expenses	3,712,771	3,521,640
Change in net assets without donor restrictions	(291,897)	(105,949)
Net assets without donor restrictions, beginning of year	2,545,457	2,651,406
Net assets without donor restrictions, end of year	\$ 2,253,560	\$ 2,545,457

See accompanying notes to financial statements.

Statement of Cash Flows

National Watermelon Promotion Board

Statements of Cash Flows

<i>Year Ended March 31,</i>	2019	2018
Cash flows from operating activities:		
Change in net assets without donor restrictions	\$ (291,897)	\$ (105,949)
Adjustments to reconcile change in net assets without donor restrictions to net cash used for operating activities:		
Depreciation and amortization	27,023	34,910
Loss on disposal of equipment	574	303
Cash provided by (used for):		
Accounts receivable	(39,287)	31,328
MAP program receivable	(3,351)	(46,052)
Prepaid expenses	(16,356)	(4,851)
Accounts payable and accrued expenses	8,741	(10,992)
Related party payables	(1,517)	(2,015)
Accrued payroll	8,808	10,317
Net cash used for operating activities	(307,262)	(93,001)
Cash flows from investing activities:		
Purchase of equipment	(2,866)	(3,313)
Purchase of certificates of deposit	(698,152)	(1,040,897)
Proceeds from maturity of certificates of deposit	680,000	924,024
Net cash used for investing activities	(21,018)	(120,186)
Cash flows from financing activities:		
Payments on capital lease obligation	(5,495)	(5,463)
Decrease in cash and cash equivalents	(333,775)	(218,650)
Cash and cash equivalents, beginning of year	1,723,131	1,941,781
Cash and cash equivalents, end of year	\$ 1,389,356	\$ 1,723,131
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 293	\$ 747

See accompanying notes to financial statements.

Independent Auditor's Report



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Independent Auditor's Report

Board of Directors
National Watermelon Promotion Board

Report on the Financial Statements

We have audited the accompanying financial statements of National Watermelon Promotion Board (the "Board"), which comprise the statements of financial position as of March 31, 2019 and 2018, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board as of March 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2019 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

BDO USA LLP

Certified Public Accountants
July 17, 2019



Program Highlights & Successes

2018-2019 FISCAL YEAR

THE FOLLOWING HIGHLIGHTS ARE NOT INCLUSIVE
RESULTS OF ALL PROGRAM ELEMENTS

Communications

Press Outreach

- PR campaign goal to educate and inspire consumers, media, influencers, educators and health professionals through a **Watermelon On the Go** theme. Spotlights versatility and convenience benefits while addressing the main purchase barrier consumers give to why they don't purchase a watermelon: too big and inconvenient.
- Hard copy press kit mailed to 1,500 targeted media including editors of food, health, fitness, nutrition, parenting, lifestyle and test kitchen staff
- Press kit featured a cover image of the ideal watermelon recipe prepped fridge: an open refrigerator door with to-go containers of various watermelon cuts, balls, dices, salads, parfaits, juice and other watermelon elements
- Inner image of the Sunday Meal Prep family overhead shot with watermelons broken down and being made into those various meals and to-go snacks
- 20 new recipe and how to videos formatted for social sharing, overhead hands-only; uploaded natively to Facebook, YouTube and Instagram, received over 150K views
- Family Features paid release in 2018-2019: 1 full page release with 3 recipe videos included, "Eat Well On the Go: Perfectly Portable Watermelon Dishes" earned 1,307 total program placements in print and online with an ad equivalency of over \$1.8 million. Total ROI is 103:1.
- Television commercial edited for YouTube performance media, shortened to a 15-second pre-roll called "The Simplest Things Can Be Good for You." Our campaign has received *significantly* higher average view rates and a lower cost-per-view than industry benchmarks, with 1.1 million views nationwide at a 37% percent view rate, meaning 37% of people view our commercial rather than skipping it. It is performing 30% better than the industry benchmark standard

Consumer Communications

- Pollock Communications development and design of new Registered Dietitian Toolkit called the *Wide World of Watermelon*
 - Focusing on 6 practice areas for RDs: private practice, sports, culinary, school, retail and foodservice, designed to be a digital resource online
- Jump with Jill Rock 'n Roll Nutrition Show
 - 12-month partnership of of national tour with 250+ tour stops via 3 touring casts with total live event attendance of 115,000+ students
 - Watermelon cafeteria posters for school leave-behinds: 150+ schools
 - Developed the gymnasium leave behind "Jump with Jill Action Pack" card deck featuring physical activities as a game in watermelon colors
- New "Watermelon Every Day" recipe, health and selection consumer

Special Events

- Media Event: Time Inc. Food Studios "Watermelon On the Go" chef demonstration with Chef Dave Wooley, pitched directly to food editors and test kitchen staff in Birmingham, Alabama.
 - 15 attendees from major national publications, including Cooking Light, MyRecipes, Southern Living, Real Simple, Health, People, InStyle, Coastal Living and more
 - While on-site we filmed 3 social media recipe videos for Southern Living and Well Done magazines featuring Chef Dave. The video shared across Time's channels in 2018 earned 7.3 million views.
- Fit Foodie Run event July 2018 in Denver, Colorado combined media outreach, consumer messaging and in-person sampling
 - Watermelon Mile on the course provided 5,000 watermelon servings of juice and pops

Communications

- Watermelon Bulgur Wheat Salad served at the festival village and demonstrated live on the culinary stage by Chef Dina Paz
- Epcot International Food & Wine Festival – Back to Basics seminars by Stephanie Barlow on “How to Use the Whole Watermelon” September 7, 8 and 9, 2018 (2 per day)
- Epcot Festival of the Arts Festival – January and February 2019 presentations featuring the “Art of Watermelon Carving” by Stephanie Barlow
- Marine Corps Marathon in Washington, DC – Finish Festival gave out a whole truckload of fresh cut watermelon to runners and families, fans and attendees
- South by Southwest (SXSW) activation on-site with Produce Marketing Association’s Global Street Farm
 - Fresh watermelon ice pops “paletas” distributed in a NWPB-wrapped mobile tricycle
 - Watermelon margaritas in the VIP backstage area
 - Roaming watermelon photo booth by team members in Watermelon Board t-shirts
 - Global Street Farm’s dinner feature with Watermelon Sashimi
 - Hydrate and Detox with Watermelon recipes wellness demonstration
 - Watermelon blueberry mint spear sampling

Digital Communications

- Watermelon on the the Go Blogger Campaign recruited 25 bloggers to create unique posts focusing on versatility and convenience of watermelon, shared across Twitter, Facebook, Instagram and Pinterest. They earned 5.8 million impressions, which was 116% of goal and 4.4K social engagements with was 440% of the goal.
- Use the Whole Watermelon Recipe Contest (July 2018) Year 2 - Home cooks were challenged to think beyond the basic wedge with contest categories of “Flesh,” “Juice” and “Rind” included as a way to spotlight that every part of the watermelon can be used to create delicious dishes and beverages.
 - Received over 100 entries, 20% of which were rind entries.
 - 2018 grand prize winner was a watermelon rind pickle bruschetta
 - Other winners include waffles, candy, poppers, chutney and a watermelon wedge salad.
- Social media platforms for @WatermelonBoard channels: Facebook, Twitter, Instagram, YouTube, Pinterest averaged an increase of 25% year over year
- Facebook Live – Live broadcasting of watermelon video to prioritize in fans’ news feeds and engage directly in a genuine and immediate platform.
 - May 2, 2018: Cinco de Mayo featuring Cactus watermelon carving, Fire and Ice Salsa, and the Watermelon Margarita – 11K views, 21K reach, 949 engagements
 - July 3, 2018 – Fire Up the Grill, 4th of July Grilling Watermelon – 13K views, 22K reach, 630 engagements
 - July 18, 2018 – How to Use the Whole Watermelon recipe contest promo and zero food waste – 11K views, 22K reach, 1,307 engagements
 - August 3, 2018 – National Watermelon Day featuring Watermelon On the Go – 22K views, 49K reach, and 1,143 engagements
- Watermelon on the Go digital hub featuring recipe videos for prep and recipe assembly, health benefits and featuring a digital lunchbox menu for on-the-go inspiration lives online at <https://www.watermelon.org/WatermelonOnTheGo>
- Watermelon.org website : Editorial calendar for content across all social channels
- What About Watermelon? consumer e-newsletter distributed 10 issues per year

Industry Outreach and Communications

- Springtime media and communications for new watermelon queen spokeswomen ambassadors hosted in Atlanta, GA (April 2018)
- Watermelon Update monthly newsletter distributed to nearly 400 key industry and assessment-paying organizations goes fully digital, no longer mailing hard copy
- American Heart Association heart checkmark certification for fresh watermelon PLUs: seedless, seeded, mini watermelon

Industry Experts

- Abbie Gellman of Cuinary Nutrition Cuisine hosted a Valentine’s Day Facebook Live
- Ana Quincoces created several watermelon recipes and promoted on TV
- Anne Mauney of Fannetastic Food created several recipes and ran the MCM 10k
- Bianca Dottin hosted a Watermelon Summertime Soire
- Jennifer Fisher of The Fit Fork created watermelon recipes and promoted fitness workouts in watermelon-themed outfits
- Kaleigh McMordy of Lively Table created a watermelon salad recipe for on-the-go
- Lori Taylor of The Produce Moms created a Air Fryer Watermelon recipe and video

Retail Operations/International Marketing

Tradeshow and Conference Participation

Tradeshow and conference attendance at 12 events with strong retailer presence and/or international marketing opportunities

- National Grocers Association Conference
 - Southeast Produce Council Southern Exposure
 - Viva Fresh Expo
 - Canadian Produce Marketing Association Convention
 - West Coast Produce Expo
 - New England Produce Council Produce & Floral Expo
 - Produce Marketing Association Fresh Summit
 - Grocerant Summit (in partnership with Foodservice)
 - Canada Concepts
 - Wakefern/ShopRite Dietitian Seminar
 - United States Agricultural Export Development Council Conference
 - New York Produce Council Show
- Tradeshow/conferences included educational sessions specific to produce marketing trends and guidance
 - Distributed and communicated on the latest consumer research results, health messaging and marketing resources available
 - Events provided educational outreach and networking opportunities

Retail Promotions & Marketing

- Retail display contest received approximately 190 entries from domestic and Canadian retailers as well as commissaries
 - Prizing format remained at 1st, 2nd, 3rd, 4th places awarded and 8 honorable mentions in two categories “Classic” and “Star-Spangled”
 - Incentives for the first 25 entries
 - Option to order a display contest merchandising kit with collateral materials
- Regional account managers (4 US, 1 Canada) fulfilled approximately 54 promotional agreements that included but were not limited to:
 - Elevated exposure in circular ads
 - Support during retailers’ critical promotional periods
 - Joint partnerships with other brands and commodities
 - In-store demos and incentives
 - Internal retailer display contests
 - Merchandising materials and educational support, per individual retailer request
 - Retailer Facebook Live events and other digital promotions
 - Retail Dietitian promotional programs
- Supported approximately 50 domestic watermelon queen/Chef Joseph Poon in-store activations and consumer-facing events

Retail Operations & International Marketing

Retail Promotions & Marketing Continued

- Conducted two activations with shopping app Ibotta and both included whole and cut watermelon
 - “Back to school” offer garnered over 2.9 million brand impressions, had 136,330 completed engagements, and moved approximately 23,400 units in 4 days
 - Roughly 72% of redemptions were on whole watermelons and the main purchaser was a millennial – 35% of all purchasers were in the 25-34 age bracket and 30% were 35-44
 - Nutrition Month March offer garnered over 5.7 million brand impressions, had 235,699 completed engagements, and moved approximately 22,300 units in four days
 - Roughly 54% of redemptions were on pre-cut watermelons and 67% of purchasers were ages 22-44
- Partnered with NutriSavings for two month-long campaigns
 - NutriSavings is a digital nutrition wellness program where employers, supermarket retailers and food companies combine efforts to get employees and their families to shop, cook, and eat healthier
 - Included various digital assets including mobile and webpage banner ads, sponsored content, background skin, and cashback offers for watermelon purchases at retail
 - The first month-long campaign launched in mid-August and featured a “back to school, watermelon on the the go” theme
 - The second campaign was “Save a Pumpkin, Carve a Watermelon” theme
- Continued partnership with Produce for Kids “We Heart RDs” program in support of the Supermarket Retail Dietitian (SRD) sector and additional participation at SRD-specific events connected NWPB to over 500 dietitians across 58 retailers

Retail Advertising & Educational Pieces

- Provided collateral materials reprints
- Development of a selection of poster and reprints of health esteem poster
- Developed additional retail kit materials
- Advertised and provided editorial content in various trade media to keep watermelon top of mind year-round
 - Ads and content included digital e-newsletters and banner ads

International Marketing

- Market Access Program funding was facilitated directly through Foreign Agricultural Service and totaled \$165,094, down from the previous year
- Canadian PR efforts utilize \$60,000. Media impressions totaled 37 million media impressions and included 10 broadcast segments. Total editorial value: \$1.2 million
- Conducted three live events in Canada that reached 600+ consumers
- Increased Canadian community size on Facebook by 5%
- Contributed to 16% growth in total Twitter followers
- Conducted six Canadian retailer-based multi-store watermelon queen/Chef Joseph Poon in-store activations
- Participated in and sampled watermelon at two Fourth of July Ambassador’s receptions (Japan, Canada)
- Continued promotion in Japan with Aloha Table Restaurants’ “watermelon fair” featuring U.S.-sourced watermelon menu items in 22 of their restaurants
 - Additionally, the restaurant offered fresh watermelon juice at two yoga events that drew 40,000 visitors in three days

Foodservice

Foodservice Media

Reaching foodservice decision-makers through foodservice media.

- **Distributed press releases and pitched media** through the year to garner coverage in foodservice publications including but not limited to:
 - Noncommercial has their own niche magazines such as *Foodservice Director* whose newsletter has a circulation of more than 35,000, reaching noncommercial audiences including education, hospitals, and more.
 - *Flavor & the Menu* reaches commercial foodservice with a circulation of 42,000. *Recipedia*, a monthly e-newsletter, has a circulation of 150,500.
 - This program also pitches produce trade media to keep the industry informed of NWPB's foodservice activities.
- Executed a **photo shoot** featuring operator recipes to build relationships and garner foodservice media coverage including recipes from the University of Massachusetts, a beverage, Watermelon Breeze from Tankard and Turn, and trail mix created by our consulting chef – image was requested by an editor.
- **International Foodservice Editorial Council (IFEC):**
 - Bubble Party during the National Restaurant Association featured a watermelon tasting station and a cocktail reaching 47 members of the media representing 36 foodservice media outlets.
 - Conference reached 29 members of the media representing 32 outlets:
 - One on one meetings to pitch stories.
 - Watermelon Gazpacho served during one of the meals.
 - Activity station showcasing how to use the whole watermelon with carvings, sprouted seed trail mix, rind pickles and a shrub.
 - Partnered with other commodity boards to host a casual reception in the old Raleigh Times building - appropriate for an editor event!
- **Watermelon Year-Round: The Story** – To help audiences understand and appreciate high quality watermelon is available year-round. To do this, build confidence, trust, and emotional attachment to the story of watermelon—how and where it is grown and the people, cultures, and traditions associated with it. **In 2018, the focus was on developing the content with a narrative, photography and video.** In following years, focus will shift to strategic distribution of this content to the NWPB's target audiences. Two growing regions and farmers were highlighted: one in the U.S., one in Mexico.
- Partnered with the **Culinary Institute of America** or CIA to reach current and upcoming chefs through the **Watermelon ProChef Discovery Series:**
 - 2017 videos aired as “commercials” during webcast breaks in the live programming of the 2018 Worlds of Flavor with more than 180,000 total live and recorded views since the event in April, 2018.
 - Created new recipes and videos. **All of the content lives permanently at ciaprochef.com/watermelon** and is marketed in multiple places:
 - CIAprochef.com/watermelon: 6,265 unique page visits
 - YouTube: 13,809 video views
 - iTunes: 9,697 video views
 - Facebook: 42,290 people reached; 604 post clicks
 - Twitter: 122 interactions, 64 post clicks
 - SmartBrief: 122,912 subscribers reached
- **Advertising:** Quarterly ads in Restaurant Recipe Watch – sent to more than 88,000 each quarter.
- **Digital outreach:** Revamp of the Foodservice section of watermelon.org to make it a robust resource for foodservice and the watermelon industry.

Foodservice

Industry Events

Meeting foodservice decision-makers at events to help keep watermelon top-of-mind, educate, and inspire usage.

- To reach **K-12 education**, advertised on the **CSI FoodPro** website (virtual show cancelled for Q1 2019). Also participated in the **Fresh Festival for School Foodservice through United Fresh**, a mini-expo that provided an opportunity to see the largest school foodservice directors in the country (Houston, LA, etc.)
- To reach **College & University**, sponsored the **Chef Culinary Conference** where watermelon was served multiple times, exhibited during the trade show, provided a short talk during the general assembly, and received sponsor recognition onsite and digitally, engaging with more than 300 attendees.
- To reach **foodservice dietitians**, sponsored **National Restaurant Association Nutrition Executive Study Group** hosting more than 30 operator dietitians including representation from Panera Bread, Darden and more, where watermelon was showcased on the menu, the NWPB president served on a grower panel, received sponsor recognition onsite and digitally, and hosted a pre-conference dinner with select attendees.
- To reach **distributors and operators**, sponsored **Produce Marketing Association Foodservice Show** sampling station between the exhibit halls featuring fresh watermelon and rind pickle to highlight how to use the whole product and minimize waste. Participated in the Buyer Roundtable Meetings. Overall reached more than 1,800 distributors and operators in attendance including decision-makers from Applebee's, Denny's, MGM Grand and more.
- To reach **operators**, sponsored the **Flavor Experience** reaching more than 200 foodservice decision makers including culinary, supply chain and marketing from chains, universities, etc. such as Bloomin' Brands, McAlister's Deli, etc. with watermelon menu items and received sponsor recognition onsite and digitally. Due to a change in the schedule the Board co-sponsored an after party – the event was sold out with 80 operators.
- To reach **retail foodservice**, sponsored **Grocerant** to provide watermelon tastes and education to attendees including Albertson's/Safeway, SuperValu, and more.
- To reach **hotel and lodging**, sponsored **Mise Conference** featuring five menu placements, five beverages, and sponsorship recognition onsite and digitally throughout the event. Corporate/large property culinary representation included brands such as Gaylord, Hyatt, Marriott, Kessler, etc.
- To reach **all audiences hosted a Watermelon Tour** visiting a farm and restaurants using watermelon. The tour focused on restaurants in Oakland, CA, with fast casual watermelon side dishes, full-service salads and beverages. Attendees in California included Compass, Garden Fresh, Nordstrom, Real Mex, and Flavor & the Menu. Attendees from the 2017 and 2018 tours represent more than 4,000 locations and over half a million in circulation.

Support & Promotions

Relationships established at events lead to menu ideation sessions and promotions. Promotions with operators across the country not only move more watermelon through the supply chain, but also provide an opportunity to educate consumers.

- **Another Broken Egg** promotion 4/30-8/20 in 64 locations supporting Toasted Coconut Quinoa Power Skillet, featuring fresh watermelon and the increased use of watermelon in their fruit side. Consumer communications included a table tent in restaurants, webpage, e-blasts and social media, tagging the Board or using the watermelon.org logo. "Fun fact, fruit sales were up for our system 126% and fruit substitutes up 305%! Certainly watermelon had a lot to do with it," said Jason Knolls, vice president of culinary at Another Broken Egg.
- **Restaurant Associates** promotion 9/4-10/1 in 100 locations supporting multiple watermelon menu items through digital and onsite signage. Although volume was down compared to the previous promotion in 2017, we suspect it had to do with the fall v. summer timing.
- **University of Massachusetts** Watermelon Day in September supporting multiple watermelon menu items through digital and onsite signage. There was a 30% in volume that day over the previous year.
- **Velvet Taco** hosted the NWPB as a part of a collaborative ideation session with multiple commodity boards in November. From that session the last week of March Velvet Taco featured a Popcorn Crawfish Taco with watermelon slaw and pickled watermelon rind chow chow.
- The Board invested in an event called **FoodOvation** to reach operators with one-on-one, 35 minute meetings – multiple ideation sessions in one place. The Board had 14 meetings with chains such as Applebees, B.Good, Sodexo and more.

Culinary Education

Outreach to up-and-coming and existing chefs to educate and inspire about watermelon.

- Continued to promote the **Watermelon Culinary Curriculum** accredited with 5 credits from the American Culinary Federation found on the website – nearly 100 requested for credit throughout FY 2018/2019.
- Sponsored the **Center for the Advancement of Foodservice Educators Annual Conference** reaching hundreds of members and more than 200 attendees to promote the use of the new curriculum:
 - In conjunction with the National Mango Board, the NWPB led a trend session on pickling and fermentation featuring Chef Dave Woolley and Chef Stella Bernard and serving rind pickles and kimchi.
 - The goal is for these educators is to be inspired by watermelon, use it in their classrooms and educate future chefs how to use watermelon.

It is exciting to see the popularity of watermelon continue to grow in foodservice but there is still huge opportunity. Ultimately the foodservice program is here to help the industry so to learn more about the foodservice tools and resources available visit watermelon.org/foodservice.

*Please note: This covers most but not all of the work of the Foodservice Department

Research

Consumer Research by Aimpoint Research

- Measures consumers' attitudes and awareness toward watermelon, year-over-year
- The research delves into topics such as:
 - Purchase behavior
 - Food safety
 - Quality
 - Health and nutrition
- Helps to focus consumer outreach
- Findings are used to educate retail and foodservice contacts to understand consumers' attitudes toward watermelon
- Surveys took place in late summer and winter

Summer Survey Results Overview

Each year, the NWPB conducts consumer research to better understand consumer's attitudes and usage of watermelon. New in 2018, the Board partnered with Aimpoint Research.

- Watermelon scores very high relative to other fruits for taste, safety, value, healthiness and freshness.
- Watermelon has seen modest increases in value, healthiness, safety, and freshness over the past three years; one of the only fruits to see consistent gains.
- Most consumers are eating their fruit raw, with very few incorporating fruit in recipes. Consumers want fruit that provides them with value and minimal waste. To date much of the NWPB messaging to all audiences focuses on watermelon's health, value and versatility, year-round.
- Availability and perceived value are the main drivers as to why consumers are not purchasing watermelon. Conversely, these are top reasons that a consumer could be encouraged to buy more watermelon. Knowing how to pick a good watermelon is important for consumers and data suggests that consumers are becoming more knowledgeable year over year.
- Respondents reported most fruits to be mostly the same in terms of safety, but fruits with an outer casing were considered the safest including watermelon at 89%.
- A majority of respondents are washing the outside of a watermelon before cutting.
- Regarding health, top benefits are hydration, low in calories, and low in fat.
- Additionally, 69% of respondents indicated they would purchase watermelon if they were informed it was "good for hydration".
- Respondents reported liking the taste of Watermelon (67%).
- Watermelon is mostly consumed as a snack.
- When asked to describe watermelon in one word, submissions included delicious, juicy, hydrating, sweet, tasty, refreshing, quenching, mouth-watering, flavorful.

These insights and more rich data from the research will be used to plan future programs and shape NWPB messaging.

Winter Survey Results Overview

Each year the NWPB conducts consumer research to better understand consumer's attitudes and usage of watermelon. The studies are used to measure success as well as build programs. With the rise of fall/winter volumes the NWPB has conducted a fall/winter survey in addition to the spring/summer survey to measure for any differences. The 2019 Winter Consumer Research was fielded in March. There were very few differences in the summer versus winter data with many data points being the same or trending similarly. Watermelon's ranking for taste, freshness, value, health and safety remain strong.

- Juicy rose to the top as the word most associated with watermelon.
- Quality was the only variable where the responses increased meaning perceived quality to be better in the Summer than the Winter.
- Taste was the quality issue cited most but at 35%, this is still not a major concern.

The NWPB will conduct a summer survey in August 2019 and another winter survey around the same time in 2020.

Research

Retail Scan Data by Information Resources, Inc. (IRI)

- Sales (volume & price) information is collected from approximately 80% of the retail grocery sales in the US
- Develops a historical base for year-over-year reporting
- Includes regional information in addition to types and formats of watermelon

Retail Price per Pound		
	2017	2018
Mini	\$0.68	\$0.62
Whole	\$0.31	\$0.32
Cut	\$2.22	\$2.27
All	\$0.55	\$0.56

Retail Sales in Pounds				
	2017	2018	% Change	2018 Sales Share
Mini	320,298,969	367,844,229	14.8%	11.4%
Whole	2,506,680,093	2,506,476,289	0%	77.9%
Cut	330,594,986	341,885,600	3.4%	10.6%
Total	3,157,574,047	3,216,206,118	1.9%	100%

Retail Ad Tracking – Market Track

- Ad-Tracking system that ensures timely analysis of what the largest chains are promoting
- Data and images for the ads build reports and respond to queries
- Includes regional information in addition to types and formats of watermelon
- U.S. Retail Watermelon Ads in the last three years:
 - 2016: 3,614
 - 2017: 4,142 (15% growth)
 - 2018: 4,312 (4% growth)

Mini Watermelon Cutting, Yield & Storability Study – Food Innovation Center (Oregon State University)

- Study will start with interviewing chefs on how and when they use mini watermelon
- Study will analyze the best way to cut a mini for the most yield in the most timely manner (analyze 3 key sizes)
- The hope is the cutting method will be the same as conventional watermelon – this is a question we often get from Foodservice

Results Overview

The study found chefs across foodservice outlets enjoy using mini watermelon year-round but especially when volumes of large fruit decline. They especially like the size of wedges produced from minis.

The researchers tested 50 of each size; 7, 8, and 9s. The cutting method was the same as large seedless watermelon (see below). Timing was between 40 and 45 seconds as expected. The yield was lower than expected, between 50 and 53%. This surprised the researchers and more research was recommended.

1. Cut off the ends, providing a base and access to the peel and rind.
2. Angle the knife, placing it where the white rind meets the red flesh and following the curve of the fruit, cut off the rind.
3. Cut the whole watermelon into disks, width-wise in the desired size of cubes.
4. Lay the disks face down, pushing the smaller disks to one side and cut same size strips in both directions.

Research

Investing the Differential Effects on Metabolism with Consumption of Watermelon and Watermelon By-Product during Intake of an Unhealthy Western-Style Diet – Oregon State University

- The overarching purpose of this work is to demonstrate that consumption of watermelon promotes good health
- This funding will support the analysis of the **microbiome** and a “**metabolomic**” analysis of over 1,000 different metabolites in liver cells taken from five groups of mice
- These two analyses will provide a wealth of new knowledge regarding the specific impact of watermelon consumption

Project Update as of the end of FY 2018/2019

- Submitting abstracts for presentation
- One manuscript is being reviewed by the Journal of Nutrition
- OSW news department is awaiting publication before the put out a news release

Watermelon and the Bioactive Compounds Promote the Digestive Health in Diabetes – Oklahoma State University

- The goal of this research project is to define the mechanism by which the watermelon in the digestive health in diabetes by targeting the gut microbiome
- Hypothesize that the watermelon increases the diversity of gut microbiome that produces short-chain fatty acids (SCFAs)

Project Update as of the end of FY 2018/2019

- No cost extension for 2019 due to mice colony issues. Submitting manuscripts on results to date and working on more analysis

Efficacy of Watermelon Consumption on Range of Motion, Pain and Cartilage/Inflammatory Biomarkers in Older Adults with Symptomatic Knee Osteoarthritis – Texas Woman’s University

- The central hypothesis of this proposed study is that the daily inclusion of 12 grams of Watermelon powder will improve joint flexibility (range of motion), mobility (physical activity), and notably reduce or alleviate pain associated with knee OA. These improvements will also favorably impact serum biomarkers of cartilage metabolism and inflammation
- Research Objective 1. To examine the effects of freeze dried whole watermelon powder in comparison to a placebo powder on symptoms associated with knee OA in both men and women. Primary measures will include joint flexibility (range of motion), mobility (physical activity) and assessing pain (frequency and severity) and mobility of the afflicted knee joint(s) before and after treatment
- Research Objective 2. To evaluate the effects of freeze dried whole watermelon powder in comparison to a placebo powder on selective serum and urinary biomarkers of cartilage metabolism and inflammation before and after treatment

Project Update as of the end of FY 2018/2019

- In progress: Watermelon powder has been secured. Study recruitment will begin in early June

Sustainability Strategy – Milepost

- Assess and report on water management and fertigation practices across membership (growers)
- Quantify the practice of “use the whole melon” using sustainability indicators and metrics
- Use frameworks and metrics that align with existing industry sustainability reporting norms and standards
- Create a messaging framework based on the assessment to support sustainability communications

Results Overview

- Surveyed industry on fertigation but due to a lack of participants the results are statistically insignificant
- Example of use the whole watermelon messaging: “100% of the watermelon is usable and compostable – making it easy to keep it out of the landfill and reduce carbon emission
- Working to finalize study and key messages