

NATIONAL WATERMELON PROMOTION BOARD



FISCAL YEAR 2019-2020
ANNUAL REPORT

Statement of Financial Position

National Watermelon Promotion Board

Statements of Financial Position

<i>March 31,</i>	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,229,742	\$ 1,389,356
Assessment receivable	—	123,601
MAP program receivable	2,355	78,661
Prepaid expenses and other assets	71,796	93,986
Certificates of deposit	704,000	697,997
Total current assets	2,007,893	2,383,601
Property and equipment, net	157,814	40,684
Deposits	5,007	5,007
	\$ 2,170,714	\$ 2,429,292
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 29,502	\$ 69,746
Accrued payroll and related expenses	110,865	105,141
Capital lease obligations	8,681	845
Total current liabilities	149,048	175,732
Long-term liabilities:		
Capital lease obligations, less current portion	9,735	—
Total liabilities	158,783	175,732
Commitments and contingencies (Notes 5 and 8)		
Net assets without donor restrictions:		
Board designated for frozen reserve	704,000	663,000
Undesignated	1,307,931	1,590,560
Total net assets without donor restrictions	2,011,931	2,253,560
	\$ 2,170,714	\$ 2,429,292

See accompanying notes to financial statements.

Statement of Activities

National Watermelon Promotion Board

Statements of Activities

<i>Year Ended March 31,</i>	2020	2019
Revenues:		
Assessments - domestic	\$ 2,272,774	\$ 2,174,933
Assessments - import	1,032,171	1,007,625
MAP program revenue	222,610	149,644
Interest and other income	51,800	88,672
Total revenues	3,579,355	3,420,874
Expenses:		
Program expenses	3,236,707	2,997,880
General and administrative expenses	584,277	714,891
Total expenses	3,820,984	3,712,771
Change in net assets without donor restrictions	(241,629)	(291,897)
Net assets without donor restrictions, beginning of year	2,253,560	2,545,457
Net assets without donor restrictions, end of year	\$ 2,011,931	\$ 2,253,560

See accompanying notes to financial statements.

Statement of Cash Flows

National Watermelon Promotion Board

Statements of Cash Flows

<i>Year Ended March 31,</i>	2020	2019
Cash flows from operating activities:		
Change in net assets without donor restrictions	\$ (241,629)	\$ (291,897)
Adjustments to reconcile change in net assets without donor restrictions to net cash used for operating activities:		
Depreciation and amortization	12,179	27,022
Loss on disposal of equipment	6,533	574
Cash provided by (used for):		
Assessment receivable	123,601	(8,662)
MAP program receivable	76,306	(3,351)
Prepaid expenses and other assets	22,190	(46,981)
Accounts payable and accrued expenses	(40,244)	8,741
Related party payables	—	(1,517)
Accrued payroll and related expenses	5,724	8,808
Net cash used for operating activities	(35,340)	(307,263)
Cash flows from investing activities:		
Purchase of equipment	(110,218)	(2,865)
Proceeds from sale of equipment	500	—
Purchase of certificates of deposit	(1,042,003)	(698,152)
Proceeds from maturity of certificates of deposit	1,036,000	680,000
Net cash used for investing activities	(115,721)	(21,017)
Cash flows from financing activities:		
Payments on capital lease obligation	(8,553)	(5,495)
Decrease in cash and cash equivalents	(159,614)	(333,775)
Cash and cash equivalents, beginning of year	1,389,356	1,723,131
Cash and cash equivalents, end of year	\$ 1,229,742	\$ 1,389,356
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 209	\$ 293
Non-cash investing and financing activity:		
Computer equipment acquired through capital lease	\$ 26,124	\$ —

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, 2020 and 2019, 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, 2020 and 2019, 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 20, 2020 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 20, 2020



Program Highlights & Successes

2019-2020 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 Back to Basics** theme.
 - Hard copy press kit mailed to 1,700+ targeted media including editors of food, health, fitness, nutrition, parenting, lifestyle and test kitchen staff.
- Monitored consumer media outreach activities allowing us to move beyond regular mentions in the news and earn more robust watermelon coverage
- Reshot twelve recipes on watermelon.org that consistently rank in most-viewed recipes on watermelon.org
- Family Features paid release in 2019-2020:
 - 1 basic food color feature full page – “Sweet, Refreshing Summer Snacks”
 - Over 1,500 print and online placements and ROI of 97:1
 - 2 premium food releases:
 - “A Creative Twist on Halloween Carvings”
 - 1,261 print and online placements and ROI of 145:1
 - “Sweet, Luscious Snacks for Loved Ones - Valentine’s Day eats and treats”
 - 1,321 print and online placements and ROI of 220:1
 - 2 recipe roundup inclusions - more than 1,400 print and online placements combined
 - “Go Big on Brunch” and “Back to School”
- Created a 4:29 sizzle reel of watermelon media coverage highlights for 2019-2020 year

Advertising

- Television commercial edited for YouTube advertising campaign using Google’s DoubleClick platform to Family/Fitness consumers. The pre-roll campaign displayed the 15-second commercial with the ability to click through to Watermelon.org for more information. Our YouTube campaign outperformed the 2018/2019 campaign across the board. It received significantly higher average view rates and a lower cost-per-view than industry benchmarks, with 1.8 million views nationwide at a 48.23% percent view rate, meaning 48.23% of people view our commercial rather than skipping it. The average cost per view is \$0.01, down from \$0.02 in 2018/2019 (industry benchmark is \$0.04).
- In response to changed social and economic climate, additional Spring 2020 YouTube pre-roll campaign to targeted consumers including fitness, family and foodie.
- Created and implemented YouTube Cards in order to continue to engage viewers of our videos and promote traffic within the channel.

Consumer Communications

- Pollock Communications redevelopment and redesign of print and online versions of Registered Dietitian Toolkit called the *Wide World of Watermelon*
 - Focusing on 6 practice areas for RDs: private practice, sports, culinary, school, retail and foodservice – in compliance with updated AMS guidelines
 - Developed and deployed e-newsletters to targeted list of registered dietitians (including NE, SCAN and FCP DPGs) to promote new toolkit
- Interactive Watermelon 101: The Story - created short, consumable clips to live in digital and social spaces and become a pillar of the watermelon story at <https://www.watermelon.org/watermelon-101/the-watermelon-story/>
- Jump with Jill Rock ‘n Roll Nutrition Show
 - 12-month partnership of national tour with 224 live tour shows via 3 touring casts with total live event attendance of 82,120 students

Communications

- Two large “Sweet Beat” cafeteria posters for school leave-behinds: 183 schools
- Print and distributed gymnasium leave behind “Jump with Jill Action Pack” card deck featuring physical activities as a game in watermelon colors: 174 packs
- Watermelon Van Wrap Impressions: 3,960,000
- Media Impressions
 - Owned Media: 4,155,224
 - Earned Media: 755,148
 - Total Impressions: 4,910,372

Special Events

- “Eat to Peak” Athletes and Coaches Dinner hosted by Chrissy Carol, RD and owner of “Snacking in Sneakers” blog. Took place August 21, 2019 and targeted Boston-based coaches/influential athletes. Featured two watermelon menu items as well as nutrition messaging from host.
- Brand Media Editors Event in Scottsdale, Arizona: 23 influential writers, editors and freelancers representing top-tier media outlets attended watermelon nutrition presentation. Follow up is ongoing to earn non-paid media placements for watermelon.
- Fit Foodie Run event on National Watermelon Day (August 3) 2019 in Denver, Colorado and on October 12 in San Diego, California
 - Combined media outreach, consumer messaging and in-person sampling
 - WATERMELON finisher medals and the runner bibs across all four of the runs nationwide (Austin and Fairfax in addition to Denver and San Diego)
 - Denver Activations:
 - Three versions of our Watermelon Street Skewers served at the festival village and demonstrated live on the culinary stage by Chef Dina Paz
 - Finish line watermelon banners and swoopers with watermelon juice.
 - Watermelon prize wheel giving away all kinds of wearable, wonderful watermelon goodies and special event signage including a selfie frame and pull up banners.
 - Additional press and promotional coverage through the event’s email marketing and social media efforts due to National Watermelon Day
 - San Diego Activations:
 - Fresh watermelon juice handed out at finish line
 - Sampled a DIY watermelon bar with four flavor pairings
 - Photo opportunities with “I Love Watermelon” selfie sign and free in-booth watermelon recipe cards.
 - Sign ups for our *What About Watermelon?* e-newsletter
 - Fitness enthusiast and Influencer Jennifer Fisher from The Fit Fork posted Instagram story of entire event as well as hosted a culinary demo, teaching the audience watermelon flavor pairings and cutting techniques
- Epcot International Food & Wine Festival – Two culinary demonstrations: ticketed events where guests watch a chef prepare a specific dish, on stage emceed and supported by the Stephanie Barlow who spoke about watermelon flavor pairings. Guests then received a sample of each dish:
 - August 31st - Chef Nanor from the California Grill prepared a Compressed Watermelon Salad (made with yellow and red watermelon), served with Watermelon Aguachile, Pickled Watermelon Rind and Hand-Pulled String Cheese
 - September 14th - Chef Sean from the Wilderness Lodge prepared a Smoked Shrimp Watermelon Ceviche with Pickled Watermelon on a Puffed Tortilla

Communications

- Marine Corps Marathon in Washington, DC – Finish Festival gave out over 32,000 samples of fresh cut watermelon to runners, families, fans and attendees. Each single package of watermelon included a sticker message of “Refuel, Rehydrate, and Recover” with Watermelon.org logo. Runners took their photo with Mission Accomplished Banner and/or 2 carvings featuring “Oorah” and MCM logo.
- Cooper River Bridge Run – In April, handed out samples of fresh cut watermelon to runners and fans to the 3rd largest 10k in the country (with 40,000 run participants). Created banner ads displayed through local TV affiliate promoting Watermelon Fuels Athletes and Watermelon.org, which from 3/24 to 4/6 delivered over 225K impressions.
- Child Nutrition Conference - Exhibited in Chicago to the national conference for the Child and Adult Care Food Program community and home of the USDA requested Summer Food Program training. Reached 1,800 professionals who make nutritional and culinary decisions for children at locations from in-school to daycare by sampling watermelon rind pickles and watermelon yogurt mint smoothie, both CACFP certified.
- Watermelon Wednesdays at Orange County Library System – participated in four “Cuisine Corner” workshops, hosting watermelon recipe and carving demonstrations, including one with Florida Watermelon Queen. A free program for attendees.
- Today’s Dietitian Spring Symposium – In Scottsdale, this continuing education and networking event for dietitians and nutrition professionals took place in May and featured sessions and workshops offering continuing education credits, plus a variety of opportunities to interact and network with fellow RDs in attendance. Sampled watermelon juice, rind pickles and feta skewers in support of the Back to Basics campaign messaging. In partnership with other commodity boards, former NWPB president, Brent Harrison, participated on a grower panel sharing information on how watermelon is grown, sustainability, and nutrition. Also the launching place for the new Dietitian Toolkit and included dedicated e-blasts to nutritionists and dietitians and banner ads on Today’s Dietitian website throughout the year.
- Social Media Marketing World Conference – San Diego, CA. Attended the conference that included the most up-to-date and actionable training for the modern social and digital marketer. Learned about the latest social media trends, where the industry is headed and networked.

Digital Communications

- Kitchen PLAY Winter with Watermelon Campaign recruited 5 food-focused Instagram influencers to raise consumer awareness of availability of watermelon during the winter months. Together they earned 59,038 impressions and 116,606 engagements with Instagram posts and stories combined.
- Slice of Joy Watermelon Instagram Summer Contest - 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.
 - Total Posts: 256
 - Total Impressions: 864.4k
 - Total Reach: 548.2k
 - Total Engagements: 50.4k
 - Total Link Clicks: 1.1k
- IG TV - To maximize existing video assets across all channels, edited 2018 “On the Go” video series to fit Instagram TV giving watermelon another avenue to reach audiences where they’re already looking for inspiration. Most watched: Quick Cubes Hack.
- Produce for Kids #SliceofJoy Instagram Contest Twitter Party – Cohosted by NWPB and Real Mom Nutrition on July 18. Watermelon was the trending topic of discussion throughout the party with nearly 8M impressions.

Communications

- Social media platforms Y/Y results for @WatermelonBoard channels:
 - Facebook Fans: 36% increase
 - Twitter Followers: 22% increase
 - Instagram Followers: 59% increase
 - Pinterest Followers: 20% increase
 - Overall social engagements across all channels: 107% increase
- Design, development and launch of all new website, streamlined to be user friendly per audience and responsive. Also trained all staffed on new site. Benefits include:
 - Fully customizable pages built from an abundance library of rich components
 - Fun and playful animations
 - Recipes and carvings pages are coded for rich search result snippets
 - Fully integrated, fluid responsive website that tethers to not one, but two fully customized databases and runs succinctly
 - Site is built to be more efficient from an SEO and organic search perspective aiding in driving traffic to our site
 - Ubiquitous wayfinding and navigation that allows desired content to be elevated and promotes quicker, more digestible bits of engagement for users
 - Design promotes return visitation with automated content buckets and the ability to make real-time optimizations around many topics and pieces of content.
 - Average time on page is over 11 minutes, surpassing industry standards
- Watermelon.org website: Editorial calendar for content across all social channels
- What About Watermelon? consumer e-newsletter distributed 10 issues per year – 12.2% average open rate average and 2.34% click through rate
- Facebook Chatbot - ‘messenger marketing’ that operate through a series of pre-chosen scripts to identify frequently asked questions and expedite answers, as well as give consumers a personalized feel and direct them to website.
- Social Advertising - Facebook \$0.11 per like; Instagram is promoted in conjunction with Facebook; Pinterest 20,375 repins

Industry Outreach and Communications

- Springtime media and communications training for new watermelon queen spokeswomen ambassadors hosted in Atlanta, GA (April 2019)
- Watermelon Update e-newsletter distributed 11x/year to more than 350 key industry and assessment-paying organizations with a pdf version under on website
- American Heart Association heart checkmark certification for fresh watermelon PLUs: seedless, seeded, mini watermelon
- Alliance for Food and Farming – paid members
- Trade releases – Three press releases to trade publications that earned the following coverage:
 - *Back to Basics: Watermelon Board Sharpens Its Focus With Comprehensive Research* - Total Est. UVPM: 93,093
 - The Produce News - Est. 4,378 UVPM
 - The Packer - Est. 37,397 UVPM
 - Perishable News - Est. 10,636 UVPM
 - AndNowUKnow - Est. 14,863 UVPM
 - Growing Produce - Est. 20,426 UVPM
 - FreshPlaza - Est. 5,393 UVPM
 - *NWPB Announces Watermelon Resource Available for Registered Dietitians* - Total Est. UVPM: 52,891

Communications

- The Packer - Est. 37,397 UVPM
- The Produce News - Est. 4,378 UVPM
- Perishable News - Est. 10,636 UVPM
- Southeast Produce Weekly - Est. 480 UVPM
- *National Watermelon Promotion Board Wraps Up Fitness Sponsorships* - Total Est. UVPM: 49,092
 - Vegetables West - Est. 6,294 UVPM
 - California Ag Network - 26,000 UVPM
 - The Produce News - Est. 4,378 UVPM
 - Southeast Produce Weekly e-newsletter - Est. 12,420 UVPM

Influencers and Experts

- Abbie Gellman of Culinary Nutrition Cuisine hosted a Facebook Live in August about how to take Watermelon on the Go/Back to School
- Ana Quincoces created several watermelon recipes and promoted on Instagram and TV
- Anne Mauney of the Fannetastic Food created several recipes, promoting on her blog, Instagram and Facebook (total of 35 mentions/posts) for 61,837 impressions. Also ran the MCM 10K highlighting watermelon hydration and Watermelon Board's sponsorship
- Bianca Dottin, blogger, hosted a Mother's Day-themed Facebook Live showing how to use watermelon while crafting at home with kids
- Crissy Carrol of Snacking in Sneakers blog - In addition to hosting the "Eat to Peak" athlete's dinner event, wrote and promoted several posts (19 total mentions) featuring watermelon including a recipe for watermelon gummies, a recipe for a homemade sports drink and pre-workout with watermelon for 26,496 impressions.
- Jennifer Fisher of The Fit Fork – In addition to creating IG story at Fit Foodie event, wrote four blog posts about local watermelon festival, simple seasonings and flavor pairings for watermelon, family reunion recipes and winter watermelon. Also created several watermelon fitness workouts for Instagram including posts, stories and IG TV.
- Lori Taylor of The Produce Moms hosted a Facebook Live while creating a watermelon charcuterie board, created a watermelon dog treat post on the blog and promoted watermelon on Indy Style TV show.
- Ross Chastain mentioned watermelon in 25 lifestyle and race day posts with 296,396 impressions. Also participated in Instagram story takeover of NWPB social account on National Watermelon Day.
- Produce for Better Health Foundation posted four recipe videos from watermelon.org, tagging @watermelonboard on social media channels with a combined reach of the following impressions:
 - Twitter: 67,044
 - Facebook: 301,763
 - Instagram: 154,072

Retail Operations & International Marketing

Tradeshow and Conference Participation

- Tradeshow and conference attendance at 11 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
 - USAEDC July Attaché Seminar
 - New England Produce Council Produce & Floral Expo
 - Produce Marketing Association Fresh Summit
 - Canada Concepts
 - 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 Advertising & Educational Pieces

- “Watermelon at Retail” photo shoot for NWPB-owned stock images
- Development of watermelon anthem video (in partnership with Foodservice)
- Developed new retail kit currently in distribution
- 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

Retail Promotions & Marketing

- Retail display contest received approximately 170 entries from domestic and Canadian retailers as well as commissaries
 - Of those that reported to NWPB, sales year over year increased an average of 20-30% with contest participation
 - 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
 - Quote from one of the winners: “Co-op Food Stores across Western Canada have jumped in with both feet when it comes to participating in the NWPB Watermelon Display Contest. The creativity in displays put forth by our produce teams has generated excitement and enhanced the customer shopping experience, which increased sales volumes in participating locations.”
 - Regional account managers (4 US, 1 Canada) fulfilled approximately 54 promotional agreements that included but were not limited to:
 - Recipe videos and other digital promotions posted on various social platforms
 - Retail Dietitian promotional programs
 - Elevated exposure in circular ads
 - Support during retailers’ critical promotional periods
 - Joint partnerships with other brands and commodities In-store/Chef demos and incentives

Retail Operations & International Marketing

- Internal retailer display contests
- Merchandising materials and educational support, per individual retailer request
- Supported approximately 40 domestic watermelon queen in-store activations and consumer-facing events
- Ibotta shopping app campaign went live on 3/6 and closed at the end of March
 - Offer was split in a few ways: pre-cut and whole, past redeemer and new redeemer within each category, offering a slightly lower rebate offer for past redeemers
 - Results: Reach of over 32 million impressions and almost 38,000 redemptions. Of the 38,000 redemptions, 35,362 were new redeemers.
 - Even though most of the redemptions were new redeemers, past redeemer offers had a higher redemption rate
- Healthy Advocate Digital Campaign partnership with Produce For Kids (PFK)
 - Content Creation
 - Blog Post: “3 Unconventional Ways to Use Watermelon”
 - Views: 470 & Growing
 - Recipe Development & Photography – Visits: 675
 - Watermelon Rind BBQ sauce
 - Fish Tacos with Watermelon Rind Slaw
 - E-Newsletter
 - Dedicated e-newsletter to PFK consumer distribution highlighting blog post, recipes, watermelon carvings and Use The Whole Watermelon Infographic
 - Distribution: 36,202, Open Rate: 7%, Click Rate: 7.2%
 - Featured in 4 PFK weekly e-newsletters sent to list of subscribers (Sept, Oct, Nov, Jan)
 - Social Support
 - Content shared across PFK channels including Facebook, Twitter, Instagram and Pinterest
 - Impressions: 166,199, Engagements: 4,899
 - Featured in Healthy Family Project podcast “healthy bite break”
 - Reaches listeners in 32 countries
 - Evergreen episodes to continue to see downloads month over month

International Marketing

- Market Access Program funding was facilitated directly through Foreign Agricultural Service and totaled \$180,094, up from the previous year
 - Also received \$50,000 in Agricultural Trade Promotion funds (for this year only)
- Canadian PR efforts utilize \$98,000 in MAP and ATP funding
 - Activities conducted:
 - In-store promotion with print, online, and digital media components
 - Results: 156,808 Impressions, 4.45% engagement rate, 150% increase in sales
 - Ambassador Program with 3 influencers
 - Results: 8.5 million impressions, 6.47% engagement rate
 - Multicultural Campaign via print and online media
 - Results: 2.1 million impressions, 36 total stories
 - “Extend Summer” Watermelon Wellness influencer event
 - Results: 323,757 impressions, 0.74% engagement rate
 - Social Media Program
 - Results: 819,623, 10.56% engagement rate

Retail Operations & International Marketing

- 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)
- Implemented Foodservice Activities in Japan
 - Santa Anita Week at Tokyo City Keiba – July 28 – August 1
 - Approximately 350 units sold, 135,000 JPY sales
 - Blue Moon Beach house
 - Approximately 240 units sold, 183,000 JPY sales
 - Test markets at Park Life Café, Garuda 23, Jiji
- Conducted watermelon consumer research
 - Conclusions: Important to pursue and solidify a position for U.S. watermelons as an unique offering in the Japanese market already saturated with countless domestic varieties
 - Retail channels and more foodservice channels can only be opened with continued marketing effort to showcase unique qualities of U.S. watermelons
 - While seedless-ness may not be an overwhelmingly strong selling point by itself, qualities such as ease of use in cooking that come from being seedless, may be a very attractive quality for Japanese consumers who are looking for unique eating experiences

Foodservice

Foodservice Media

Reaching foodservice decision-makers through foodservice media.

- **Distributed press releases and pitched media** to garner coverage in publications including but not limited to:
 - Noncommercial coverage in *Food Management* whose newsletter has a circulation of more than 29,000, reaching education, hospitals, and more.
 - *Nations Restaurant News* reaches commercial foodservice with a circulation of 60,000. *Recipe Report* a weekly e-newsletter has a circulation of 106,000.
 - Program also pitches produce trade media on NWPB's foodservice activities.
- **International Foodservice Editorial Council (IFEC):**
 - Sponsored the Bubble Party during the National Restaurant Association featuring a Watermelon Rind Bruschetta and Watermelon Breeze reaching 30+ outlets.
 - Sponsored the conference in Madison, Wisconsin:
 - One-on-one meetings to pitch stories.
 - Sponsored Chef Showcase with Chef Jason Van Ommeren from Canteen Taqueria and Tequila Bar who served a Watermelon Ceviche with Crispy Red Snapper and Watermelon Aqua Fresca.
 - Sponsored the Supper Club's traditional relish tray, boasting watermelon rind pickles and a cheese log incorporating the pickles.
 - Partnered with other organizations to co-host a casual reception with 25 of the 27 editors in attendance.
- Executed a **photo shoot** featuring recipes to garner media coverage including new watermelon type shots, Watermelon Rind Pickles, and Sumac Salad.
- **Watermelon Year-Round: The Story:** To better tell this story of year-round availability the Board executed the Year-Round Story project. Some of the images but especially the videos, can be found at <https://www.watermelon.org/watermelon-101/year-round-story/>. The marketing and communications programs use these to teach audiences about watermelon's availability and where it comes from. The images and video components will continue to be used for other projects.
- **Beverage Toolkit:** As watermelon beverages grow on menus, the NWPB conducted beverage research and ideation exploring beverage opportunities with innovations in non-alcoholic and alcoholic cocktails. A focus was placed on freshness, creativity, and current trends. The project included product analysis creating a variety of applications using the whole fruit including juices, tinctures, syrups, mixers, garnishes, bitters, and more. The final report has been posted on <https://www.watermelon.org/audiences/foodservice/menu-ideation/> and will be used when pitching beverage usage on menus as well as for use at events.
- Partnered with the **Culinary Institute of America (CIA)** to reach current and upcoming chefs through the **Watermelon ProChef Discovery Series:**
 - NWPB videos aired as "commercials" during webcast breaks in the live programming of:
 - Menus of Change conference with more than 24,000 total views
 - Worlds of Flavor conference with more than 43,000 total views
 - Created new recipes and videos for the collection of 22 recipes. All of the content lives permanently at ciaprochef.com/watermelon and is marketed in multiple places:
 - CIAprochef.com/watermelon: 4,778 unique page visits during FY
 - YouTube: 16,670 video views during FY
 - iTunes: 9,634 video views during FY
 - Facebook: 3 posts received 179 likes/loves, 594 post clicks
 - Twitter: 3 tweets received 20 interactions, 36 post clicks
 - SmartBrief: 514,688 subscribers reached during FY

Foodservice

- **Advertising:**

- Six ads in Restaurant Recipe Watch highlighting inspiring watermelon recipes for operators – sent to more than 93,000 recipients each time.
- K-12 Foodservice Outreach through [Healthy School Recipes](#) (HSR). HSR has 500 registered users on the site, and in addition 1,300+ unregistered users every week. The four-week watermelon campaign ran January 13 through February 9 and featured Gingered Watermelon Salad (50 downloads), Watermelon Rind Coleslaw (45 downloads) and Black Bean Corn Watermelon Salad (45 downloads). All three recipes performed well on social media compared to the average. NWPB recipes will remain on the website for users to access at any time.

Industry Events

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

- To reach **noncommercial foodservice**, sponsored **FoodOvation** – benefits included the ability to influence the invitation list, to have quality, focused and customized, 1-on-1, 45-minute meetings with operators such as Brookdale Senior Living, Harvard, Google, and more.
- To reach **foodservice dieticians**, hosted a private event including a tour of a fresh-cut facility and dinner featuring watermelon and sponsored **National Restaurant Association Nutrition Executive Study Group** hosting more than 30 operator dieticians including representation from Panera Bread, Bloomin’ Brands and more.
- To reach **distributors and operators**, sponsored **Produce Marketing Association Foodservice Show** sampling station featuring plant-forward, savory menu application that can be served vegetarian, Watermelon Poke. Participated in the Buyer Roundtable Meetings, meeting with brands such as Brinker and HelloFresh. Overall reached more than 1,800 distributors and operators in attendance.
- To reach **distributors and operators**, partnered with **Pro*Act** first Culinary Summit to support a session presented by celebrity chef Hugh Acheson who focused on pickling and demoed a Fresh and Pickled Watermelon Salad. Conference attendees included 100 people from 30 distributors, as well as 63 contacts from 42 operators. Sponsored watermelon content on Colorful Plates, including 2 podcasts, articles, and social media posts on availability, cutting and yield, menu ideas, nutrition and more.
- To reach **operators**, sponsored **the Flavor Experience** with multiple watermelon menu items and highlighted during a breakout session, reaching more than 250 foodservice decision makers including culinary, supply chain and marketing from chains, universities, etc. such as BJ’s Restaurants, IHop, and Red Lobster.
- To reach **operators**, sponsored the **CIA Global Plant-Forward Culinary Summit** which included a Compressed Watermelon, Pickled Rind, Thai Basil, Peanut Salad with Ginger Vinaigrette for one of the lunches, plant-forward watermelon usage information and a watermelon shrub was served as well. Attendees represented commercial and noncommercial foodservice, with contacts such as Morrisons Healthcare, Rutgers University, Tender Greens, Whole Foods and more.
- To reach **hotel and lodging**, sponsored **Mise Conference** featuring multiple food and beverage menu placements, and a live carver. Corporate/large property culinary representation included brands such as Hilton, Hyatt, Marriott, etc.

Support & Promotions

Events lead to menu ideation sessions and promotions. Promotions with operators move more watermelon but also provide an opportunity to educate consumers.

- Ideation Session with **Google** featuring watermelon’s versatility highlighting diverse flavors and techniques - California campus serves more than 40,000 meals a day.
- Ideation Session with **Garden Fresh** focused on salad concepts and handling education – they have 97 restaurants.

Foodservice

- The Board invested in an event called **FoodOvation** to reach operators with one-on-one, 45 minute meetings – multiple ideation sessions in one place. The Board had 12 meetings with chains such as McAlister’s Deli, Café Rio, and more.
- **Promotions took place in more than 700 restaurants in more than 35 states.**
- **Sizzler** promotion 6/17-9/1 in 130 locations supporting Watermelon Strawberry Lemonade. Consumer communications included LTO panel/menu board, mini register sign, exterior banner, clings; Social media: Facebook, Instagram, Twitter; Digital: ECLUB member e-blast; Staff T-shirts; NWPB logo included on all.
- **Robeks** promotion 5/31-9/2 in 84 locations supporting Watermelon Smoothie, Acai Bowl and Shot. Consumer communications included in-store posters, window cling; Social media: Facebook, Instagram, Twitter and gif for sharing; Digital: member e-blast, web promo page linking to NWPB, NWPB logo included on all.
- **Restaurant Associates** promotion 7/1-8/31 supporting Cevicheria x Watermelon. Consumer communications included in-store banners, table tents, graphics on televisions; Digital: intranet linking to NWPB, NWPB logo included on all.
- **Another Broken Egg** promotion 4/30-8/5 in 68 locations supporting Toasted Coconut Quinoa Power Skillet, Watermelon Cucumber Cooler and the increased use of watermelon in their fruit side. Consumer communications included 2 table tents in restaurants, webpage, e-blasts and social media, tagging the Board or using the watermelon.org logo. Test promotion of Watermelon Cucumber Cooler.

Culinary Education

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

- Promoted the **Watermelon Culinary Curriculum** accredited with 5 credits from the American Culinary Federation found in on the website – 239 requested for credit throughout FY.
- 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 curriculum. NWPB hosted a Garde Manger (carving) Master Class, the opening reception had two menu items highlighting watermelon’s versatility; Grilled Watermelon Salad with Feta Cheese and Compressed Watermelon with Honey Creme Fraiche and exhibited in trade show.

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
- Two surveys: Spring/Summer and Fall/Winter

Summer Survey Results Overview

Twelve hundred fifty seven consumers participated in this survey. Here are the key findings from the Summer 2019 research:

- Watermelon scores very high relative to other fruits in terms of taste, safety, value, healthiness, and freshness.
- Watermelon attributes (health, taste, safety, value) remained steady.
- Consumers want fruit that provides them with value. They are looking for fruit where they can use all of it and use it in multiple ways.
- Taste and watermelon's refreshing qualities are the main reasons watermelon is purchased.
- Availability and perceived value are the two main reasons consumers may not purchase watermelon.
- Knowing how to pick a good watermelon is important for consumers. Data suggests that consumers are better able to select a watermelon each year with a sharp increase this summer.
- Both growers and distributors saw increases in blame when food quality issues arise.
- A few more consumers had quality issues this season but still below most others.
- Most consumers are not eating fruit daily nor are they eating more than one or two servings. However half of the consumers indicate they intend to eat more fruit in the next year.
- How to select and health benefits are the key points consumers would like to see displayed with watermelon at retail.

Winter Survey Results Overview

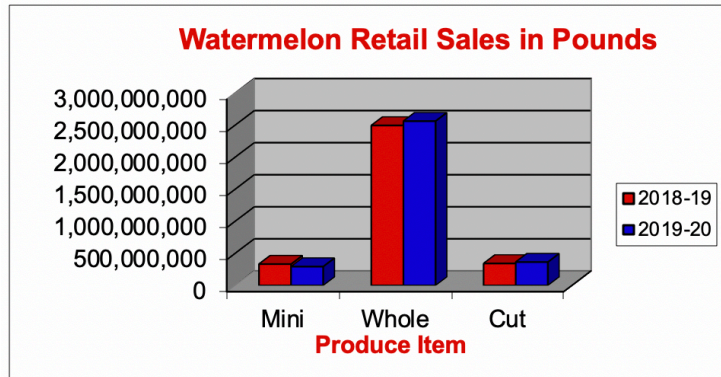
The winter 2020 survey was completed by 1,249 primary food shoppers at the end of March through the beginning of April. After the results were analyzed it was determined that COVID-19 did not have an impact on perceptions of watermelon and other fruit. Additionally, the pandemic did not alter the results of the survey in comparison to previous surveys. Key finds include:

- Watermelon scores very high relative to other fruits in terms of taste, safety, value, healthiness, and freshness.
- Taste and watermelon's refreshing qualities are the main reasons watermelon is purchased.
- Availability and perceived value are the two main reasons consumers may not purchase watermelon.
- Knowing how to pick a good watermelon is important for consumers. Data suggests that consumers are better able to select a watermelon each year.
- Growers saw a decrease in blame when food quality issues arise.
- Watermelon quality issues remained steady from Summer to Winter.
- How to select and health benefits are the key points consumers would like to see displayed with watermelon at retail.
- Consumers want fruit that provides them with value. They are looking for fruit where they can use all of it and use it in multiple ways.
- Most consumers are not eating fruit daily nor are they eating more than one or two servings. However half of the consumers indicate they intend to eat more fruit in the next year.

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 Sales in Pounds				
	2018-19	2019-20	% Change	Sales Share
Mini	333,279,917	294,174,506	-11.7%	9.1%
Whole	2,495,931,584	2,563,013,852	2.7%	79.6%
Cut	343,090,932	364,199,541	6.2%	11.3%
Total	3,172,302,433	3,221,387,899	1.5%	100.0%

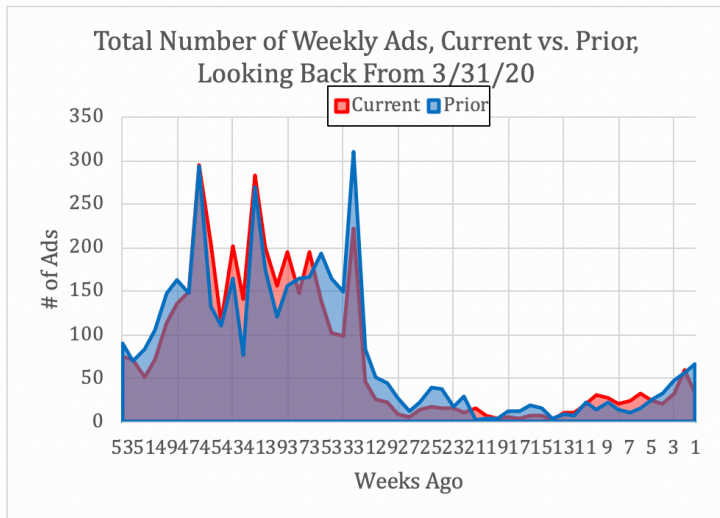
Retail Sales in USD				
	2018-19	2019-20	% Change	Sales Share
Mini	\$ 218,673,738	\$ 208,248,661	-4.8%	10.9%
Whole	\$ 803,706,876	\$ 812,010,778	1.0%	42.5%
Cut	\$ 784,432,694	\$ 890,087,935	13.5%	46.6%
Total	\$ 1,806,813,307	\$ 1,910,347,374	5.7%	100.0%

*Above compares the current 52 week period ending 4/19/20 to the preceding 52 week period.

Research

Retail Ad Tracking – MarketTrack

- 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



Number of Ads & Dollar per Each for Current & Prior 52 Week Periods				
	Mini		Whole	
Term	Number of Ads	\$ per Each	Number of Ads	\$ per Each
Current	1,126	\$ 2.97	2,231	\$ 4.10
Prior	1,499	\$ 2.83	2,186	\$ 4.08

Number of Ads & Dollar per Pound for Current & Prior 52 Week Periods				
	Mini		Whole	
Term	Number of Ads	\$ per Pound	Number of Ads	\$ per Pound
Current	13	\$ 1.14	359	\$ 0.84
Prior	10	\$ 1.06	388	\$ 0.72

Foodservice Datassentials Menu Trend Research

The National Watermelon Promotion Board (NWPB) conducts menu trend research to understand the opportunity watermelon has in foodservice and to benchmark watermelon’s presence year-over-year. In 2019, the NWPB invested in Datassential MenuTrends Research. This database includes menus from more than 4,800 restaurants including independents, regional chains, and national chains in all restaurant segments. Please note, this research includes all mentions of watermelon, not just fresh usage.

Research Highlights

- Watermelon is featured on 13% of menus and has grown by 54% in the past four years, making it one of the fastest growing fruits.
- Watermelon ranks 22nd among most popular fruits and 3rd among greatest four-year growth.
- In the Menu Adoption Cycle (Inception, Adoption, Proliferation and Ubiquity), Watermelon falls in Proliferation moving from Adoption in the 2017 report.
- Watermelon is found more often on casual and fine dining menus but has seen growth across all segments.
- Watermelon is most often found on all day menus and has seen the largest growth on lunch menus.
- Watermelon is expanding across the menu with entrees experiencing the most rapid growth.
- All regions of the U.S. are experiencing increased use of watermelon but coastal regions feature watermelon most often.
- National chains are featuring and expanding the use of watermelon more often and at a faster pace than regional chains and independents.
- Historically watermelon limited time offers (LTOs) have taken place in the summer months but between 2017 and 2018, LTOs launched in all months of the year but one (November) illustrating its move to a year-round product.
- Haiku, Datassential’s accurate prediction of future menu growth, ranks watermelon in the 98th percentile for future growth – reaching 16% penetration by 2022.

Research

Datassentials Consumer at Foodservice Omnibus Survey

The National Watermelon Promotion Board (NWPB) conducted a consumer omnibus survey to gauge consumer preferences regarding watermelon on menus. The method was an online survey of 1,519 consumers, focusing on 1,291 who did not reject watermelon. Objectives were to assess opportunity for watermelon on menu, understand consumer preferences for watermelon in foodservice including preferences in applications, preparation, daypart, and seasonality and determine premium perception of watermelon as it compares to other fruits.

Research Highlights

- Most consumers (71%) order watermelon away from home (in a dish or drink), but few order it with regularity.
 - Lack of availability on menus is the primary inhibitor to watermelon orders – this is an actionable inhibitor!
 - General dislike of watermelon is a smaller hurdle than creating new recipes and dishes with watermelon as an ingredient.
- Watermelon is most likely to be enjoyed away from home as a snack.
 - Of the traditional meals, watermelon fits best at lunch.
 - There is no single daypart at which watermelon is completely rejected, with different applications likely to pique interest at different times of day.
- Raw (no preparation) watermelon in fruit cups / bowls is most preferred.
 - Beverages, like juice or smoothies, are appealing applications.
 - No preparation methods are appealing, possibly due to low trial of non-raw watermelon.
- Watermelon drinks and desserts (smoothies, popsicles, cocktails, & agua frescas) garner the highest interest.
 - While consumers agree that watermelon pairs well with both sweet and savory items, interest in savory watermelon-based items is generally lower than sweet items.
 - Interest in grilled watermelon doubled with the presence of an image.
- There is opportunity for popular summer time drinks and food items that incorporate watermelon.
 - There is near universal interest in watermelon in the summer.
 - Few consumers want watermelon in the winter, but a quarter believe it is a year-round fit.
- Consumers overwhelmingly agree that watermelon is healthy and pairs well with many different flavors.
 - Limited availability is an issue, more than ¾ of consumers wish there were more items with watermelon on menus.
 - While few seek out watermelon in the fall / winter, most know that it's available year-round.
- Nearly half of consumers believe watermelon is more premium than oranges and other melons like honeydew and cantaloupe.
 - Premium perception of watermelon is on par with strawberries.
 - None of the tested fruits are considered more premium than watermelon.

What We Learned

1. Food and drinks with watermelon are generally accepted by consumers.

While they don't order with regularity, most consumers order food or drinks with watermelon away from home. The primary barrier to ordering is a lack of availability rather than a distaste for watermelon. In fact, many consumers desire more menu items with watermelon.

Research

2. Opportunity to promote watermelon on menus exists, especially in the summer.

Watermelon ordering is primarily prohibited by limited availability – if there were more items with watermelon available, consumers indicate they would order them. Focus on the summer / warmer months, when consumers most want to see watermelon on menus.

3. Away from home, watermelon is most often enjoyed prepared raw, as a snack or with lunch.

There is no specific daypart where watermelon is completely rejected. Yet, watermelon items must be appropriate to that time of day. Raw watermelon in beverages and fruit bowls garner the highest interest, and specific preparation methods (grilled, seared, smoked, etc.) are less appealing.

4. Watermelon is believed to be healthy and a good pair with sweet or savory.

The belief that watermelon is healthy is near universal. It is also believed to be versatile, pairing well with sweet and savory foods. However, consumers gravitate toward sweet watermelon items like smoothies, juices, and frozen desserts, over savory items like salsa or salads.

5. Watermelon is considered slightly more premium than oranges & other melons.

Nearly half of consumers believe that watermelons surpass oranges, honeydew melons, and cantaloupe in premium-ness. Premium perception of pineapples and strawberries is on par with that of watermelons.

Nutrition Research

Effects of whole blenderized watermelon consumption on satiety and digestive health in overweight/obese children – San Diego State University

- The goal of the proposed study is to determine the effects of watermelon (fruit and rind blenderized) on satiety, metabolic markers, bowel habits, microbiome and weight management in overweight/obese children.
- It is hypothesized that watermelon consumption will promote weight loss and improve metabolic markers by enhancing satiety and favorable change of gut microbiome.
- This is a 24-month human study and addresses the Board's focus on Cardiometabolic and Digestive Health.

Project Update as of the end of FY 2019/2020: Project ongoing through March 2021.

Investigating Refreshing Effect of Watermelon Flesh-Rind Blend and Impact on Post Exercise Inflammatory and Immune Response – Texas Woman's University

- Objective 1: Develop watermelon flesh-rind blends and evaluate their physical-chemical properties and sensory attributes.
- Objective 2: Investigate the effect of watermelon flesh-rind blends via clinical trials on refreshing perception and post exercise recovery for a four-week treatment duration.
- Objective 3: To exploit molecules associated with refreshing perception of watermelon flesh-rind blends and their impacts on post exercise recovery.
- This is a 12-month human study and addresses the Board's focus on Cardiometabolic Health and sensory.

Project Update as of the end of FY 2019/2020: Delayed start so the contract is through August 2020.

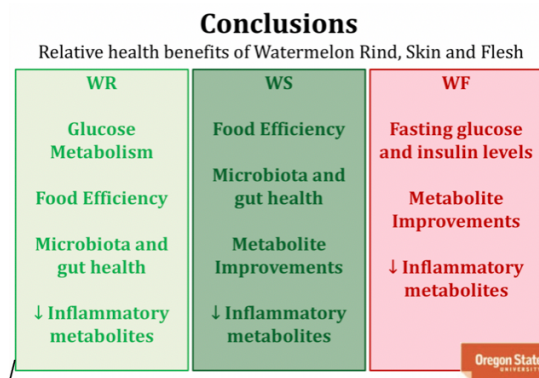
Research

Understanding the Healthy Components of Watermelon Flesh and Value-Added Products – Oregon State University

- We have designed a one-year project to investigate the impact of watermelon (WF) consumption and our fiber-rich value-added products (WR and WS), and compare their effect to CIT and ARG, added to diet as single compounds.
- This 1-year project will include a 10-week mouse feeding trial, the associated analyses of tissue, serum, and other bio-samples, followed by gene profiling analysis.
- This study addresses the Board's focus on Bioactive Compounds and Cardiometabolic Health.

Project Update as of the end of FY 2019/2020:

- Press release distributed from OSU highlighting project Q4 2019.
- Presentation and manuscript submissions projected for 2020.



The Effects Watermelon Juice Supplementation on Postprandial Vascular Endothelial Function and Blood Flow During Hyperglycemia: A Pilot Study – Louisiana State University

- The objective of this pilot study is to determine the potential for watermelon juice to attenuate the reduction postprandial endothelial function and skeletal muscle microvascular blood flow (MVBF) experienced during hyperglycemia.
- This is a 7-month human pilot study and addresses the Board's focus on Cardiometabolic Health.

Project Update as of the end of FY 2019/2020: No cost extension granted due to COVID-19 through September 2020.

Targeted Media Relations to Promote Results of Studies – Wild Hive

- Leveraging the results of 1-2 published studies through media relations to promote the results. This will include:
 - Drafting a release and working with staff on USDA edits and approval
 - Distribution of the press release through newswire services which reach consumer media as well as health and science journalists (PR Newswire and EurekAlert!)
 - Targeted pitching to health and science journalists and nutrition influencers

Project Update as of the end of FY 2019/2020: Due to project results, timing and external factors this project was not executed.