

The Case for the 2025 NWPB Assessment Increase

About National Watermelon Promotion Board

The National Watermelon Promotion Board (NWPB), based in Winter Springs, Florida, was established in 1989 as an agricultural promotion group to promote watermelon in the United States and in various markets abroad. Funded through a self-mandated industry assessment paid by more than 700 watermelon producers, handlers and importers, NWPB mission is to increase consumer demand for watermelon through promotion, research and education programs.

A serving of nutrient-dense watermelon provides an excellent source of Vitamin C (25% DV), a source of Vitamin B6 (8% DV), and a delicious way to stay hydrated (92% water), with only 80 calories per 2-cup serving. Watermelon consumption per capita in the United States was nearly 15.5 pounds in 2022. Watermelon consumption in the United States was nearly 5.2 billion pounds in 2022. The United States exported an additional 328 million pounds of watermelon. For additional information, visit www.watermelon.org.

“Jennifer” exemplifies the Board’s target market. She is a 48-year old family oriented female. Morals and values guide her decisions. Experiences are more important than things. She may be somewhat quiet, she is an optimistic go-getter and used to taking charge. Jennifer sees watermelon message as she scrolls through social media and in a magazine in her doctor’s office. She sees watermelon being demoed in a recipe at her retail store and she sees watermelon at her go-to lunch spot. What she doesn’t know, and the industry might not know either, is that so much of that watermelon placement starts with the work of the NWPB.

The Board has comprehensive communications, marketing, foodservice and research programs, all of which help increase demand for watermelon year-round. Here you can see a video highlighting results of the 2023/2024 fiscal year communications, marketing and foodservice programs. Research and Industry Support also help increase the demand of watermelon:

- Consumer Attitude & Usage Research
- Retail Research including Scan Data and Ad Tracking
- Supply Chain Research including the weekly Watermelon Market Report - Custom reports are also available as a part of the Retail and Supply Chain Research
- Foodservice Research including Menu Usage
- Health & Nutrition Research which increases watermelon nutrition messaging in media
- Industry Support & Training including Crisis Communications and trainings like Communications and Queen Training.

For more, see Appendix A, About the National Watermelon Promotion Board.

Overview

Following the 2017-2021 Econometric Evaluation executed by Armada Corporate Intelligence, Inc., some Board and industry members started the discussion regarding the need for an assessment increase for the National Watermelon Promotion Board (NWPB).

President Christian Murillo and 1st Vice President Lee Wroten included Assessment Rate Discussion on the April 12, 2023, Executive Committee Teleconference agenda. After

committee discussion, the Executive Committee unanimously passed a motion to present to the full board the effects and benefits of an assessment increase of \$0.02 and \$0.03/hundredweight at the Fall board meeting (September 2023). In June, following the review of the Case for the 2025 NWPB Assessment Increase, the Executive Committee unanimously passed a motion to present to the full Board the \$0.03/hundredweight assessment increase with a \$0.02 option, if needed.

In September, the Case for the Assessment Increase was presented to the full Board. Murillo and Wroten took many questions and received constructive feedback. The presentation was revised and presented at the National Watermelon Association's October Executive Committee Meeting, Florida Watermelon Association Convention, Texas Watermelon Association Convention, and Suwannee Watermelon Institute in the last quarter of 2023.

Plan Edits for the Proposed 2025 Assessment Increase

The Plan would need to be amended with new assessment level language through a rule making by USDA following a 60-day comment period. Each time a rule making is initiated, the USDA estimates its cost to be between \$5,000-\$10,000 that is billed back to the board. Underlined below is the specific language to be edited for the proposed assessment increase.

1210.515 Levy of assessments.

(a) An assessment of three cents per hundredweight shall be levied on all watermelons produced for ultimate consumption as human food, and an assessment of three cents per hundredweight shall be levied on all watermelons first handled for ultimate consumption as human food. An assessment of six cents per hundredweight shall be levied on all watermelons imported into the United States for ultimate consumption as human food at the time of entry in the United States.

(b) The import assessment shall be uniformly applied to imported watermelons that are identified by the numbers 0807.11.30 and 0807.11.40 in the Harmonized Tariff Schedule of the United States of any other number used to identify fresh watermelons for consumption as human food. The U.S. Customs Service (USCS) will collect assessments on such watermelons at the time of entry and will forward such assessment as per the agreement between USCS and USDA. Any importer or agent who is exempt from payment of assessments may submit the Board adequate proof of the volume handled by such importer for the exemption to be granted.

(c) Watermelons used for non-human food purposes are exempt from assessment requirements but are subject to the safeguard provisions of §1210.521.

[55 FR 13256, Apr. 10, 1990, as amended at 60 FR 10800, Feb. 28, 1995; 72 FR 41428, July 30, 2007; 72 FR 61051, Oct. 29, 2007]

History of NWPB Assessment Rate

The *Watermelon Research and Promotion Act (ACT)* of 1985, became effective on January 1, 1986

The Watermelon Research and Promotion Plan (PLAN) is authorized by the ACT. The PLAN:

- Approved by a majority of producers and handlers in a referendum in 1989.
- Established an assessment rate for both producers and handlers at 2 cents per cwt.

- Exempted producers of fewer than 5 acres of watermelons.
- Allowed producers or handlers to request a refund of their assessment.

The Watermelon Research and Promotion Improvement Act of 1993 added amendments to the original ACT:

- Authorized the assessment of imported watermelons at a rate of 4 cents per cwt.
- Added importer members to the Board.
- Eliminated refunds.
- Late 1994, watermelon producers, handlers, and importers approved these amendments in a referendum.
- PLAN was amended in 1995.

Note: A referendum was required since the proposal was beyond the scope of SEC. 1647. D. (f) of the PLAN [Rule Making] by adding importers.

Proposed rule published in the Federal Register on April 30, 2001, to amend the PLAN:

- Requiring all handlers - not just first handlers - of watermelons to pay assessments of 2 cents per cwt.
- Additional watermelon handlers would include brokers, wholesalers, and fresh-cut processors.
- Public comments on the proposal reviewed by USDA
- USDA conducted a referendum of watermelon producers, importers, and handlers from December 3, 2001, through January 11, 2002.
- Amendment not approved

Note: A referendum was required since the proposal was beyond the scope of SEC. 1647. D. (f) of the PLAN [Rule Making] adding all handlers – not just first handlers.




Proposed rule published in the Federal Register on May 8, 2007, to amend the PLAN and increase assessment rates on producers, handlers, and importers:

- Domestic producers and handlers increase from 2 cents per cwt. to 3 cents per cwt.
- Importers from 4 cents per cwt. to 6 cents per cwt.
- Following 60-day comment period, a final rule was issued on October 29, 2007, that approved the Plan
- New assessment rates effective January 1, 2008 to present day

Note: A change in the rate of assessment is subject to Rule Making under REQUIRED TERMS IN PLANS SEC. 1647. D. (f) “In fixing or changing the rate of assessment pursuant to the plan, the Secretary shall comply with the notice and comment procedures established under section 553 {Rule Making} of title 5, United States Code...”

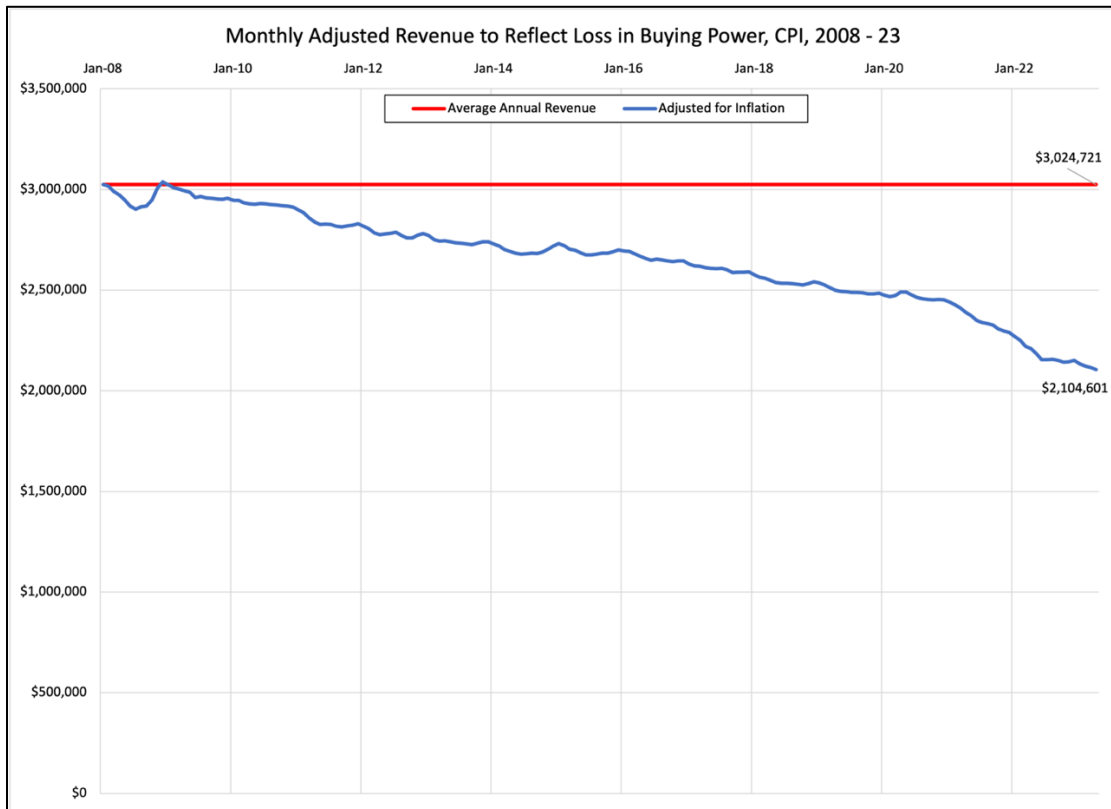
Watermelon Board Assessment Rate History

The assessment has been increased once in 34 years, in 2008.

Watermelon Weights	Original Assessment: Grower/Shipper	Current Assessment: Grower/Shipper	Original Assessment: Importer	Current Assessment: Importer
Per Pound 	\$0.0002	\$0.0003	\$0.0004	\$0.0006
700 lb Bin 	\$0.14	\$0.21	\$0.28	\$0.42
A Load 	\$8	\$12	\$16	\$24

Inflation's Impact on Spending Power

The current assessment rate for domestic watermelon producers, handlers and importers was established in 2008. Using 2008 as the base year, the U.S. has experienced inflation of 43.7%, which equates to 2.3% when compounded annually. This dollar devaluation translates to lost buying power of roughly 30% since the previous increase was instituted.



This erosion in buying power has had a significant impact on the industry's ability to compete for market share. Over time, the erosion of buying power and continued inflationary pressure on available research and promotion funds threaten the effectiveness of program elements thereby weakening watermelon's competitive position in the marketplace.

Justification for an Increased Assessment Level

Econometric Evaluation

Below is the Conclusion & Implication from the 2017-2021 Econometric Evaluation executed by Armada Corporate Intelligence, Inc. The report establishes the strong positive return on investment the industry receives from the NWPB.

The purpose of this study is to determine the impact of the NWPB activities on the demand for watermelon, and consequently, what the ROI is for investment in the NWPB activities. A model is developed that explains the retail demand for watermelon as it is explained by the quantity of watermelon, the monthly expenditures of the NWPB, and the retail region in which the watermelon is sold: California, Great Lakes, Mid-South, Northeast, Plains, South Central, Southeast, and West.

There are several key findings from this report. First, the activities of the NWPB have a significant positive impact on watermelon demand. **The study shows that funding the NWPB's activities at their actual levels versus funding them at the lowest monthly level experienced results in a 4.5% increase in the retail price of watermelon. Based on the demand model developed, the price flexibility coefficient for the NWPB's expenditures is 0.031 meaning that a 10% increase in expenditures on the NWPB's promotional activities would result in a 0.31% increase in retail watermelon price.**

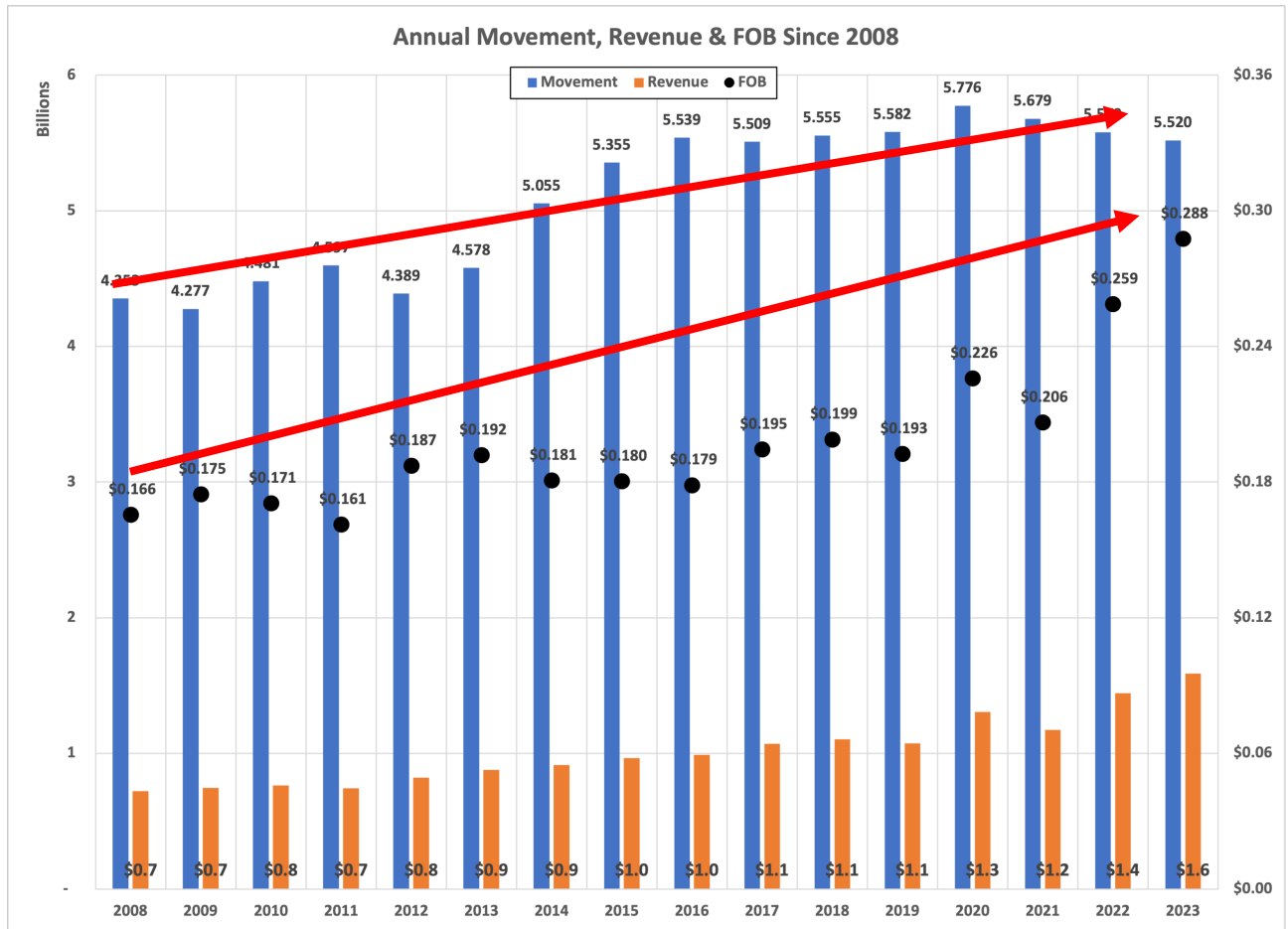
The study also demonstrates that the NWPB's promotional activities have a positive impact on farm prices. **On average there is a \$0.012 per pound difference in farm price between when the NWPB's expenditures are set to their historically lowest level versus what was experienced using the actual expenditures. The result of this difference is a \$225.19 million increase in farm sales.** The resultant ROI for the NWPB's promotional activities is 18.8:1.

The results indicate that spending on promotion by the NWPB potentially increased employment in the industry by 4,234 jobs (incremental grower income / median fruit and vegetable worker salary). Using economic multipliers from the USDA Economic Research Service for the melon segment of agricultural output, the total effect of the NWPB's spending likely also increased broader economic output in the nation by \$160 million.

The study, consistent with previous studies, clearly shows that the NWPB is having a significant positive impact on the watermelon industry. The nearly 19:1 ROI makes a strong case for increased funding to the NWPB.

Growth of Watermelon Movement and FOB

Watermelon Movement and FOB Price have increased since the last assessment increase. Although not all of this is because of the Board's work, some of the industry's growth can be attributed to the Board.



2022/2023 Program Highlights

Communications Committee

- Consumer media outreach for earned coverage on watermelon key messages of health, value, versatility and sustainability to traditional print and online digital tracked 9,100,453,553 impressions (14% increase over 2021 impressions). Media outlet highlights include the Today Show, Parade, Good Housekeeping, Martha Stewart Living, Serious Eats, MSN, Tasting Table, and Washington Post to name just a few.
- Influencer partner programming through 15 third party experts created dozens of pieces of watermelon content on owned, shared and earned social media channels (both @WatermelonBoard and @influencer) for Instagram, Facebook, TikTok, Twitter, Pinterest and YouTube. Posts include recipes, lifestyle/family posts, workout/fitness posts, recipe videos, how to videos, short form vertical videos, blog posts, educational and informational posts on nutrition, watermelon recipes and sustainability.
- Events reaching consumers and consumer-facing influencers, educators, registered dietitians and fitness professionals including Today's Dietitian, IDEA Fit, St. Augustine Food & Wine Festival, Adventure Aquarium Hippo Birthday Party and Marine Corps Marathon as examples, where watermelon messaging and key purchase drivers are promoted and communicated to inspire consumers to buy more watermelon.

- Educator/teacher resources include watermelon-themed lesson plans and in-class curriculum worksheets, teacher toolkits, coloring pages and the new Watermelon Day DIY Guide of activities, games, crafts and lessons to teach healthy, happy eating habits to kids in and out of school.
- Watermelon photography and videography for assets used across departments - 10 creative *Use the Whole Watermelon* photos, 37 recipe photos (new recipes and existing reshoots), 20 recipe videos in 2022-2023 fiscal year.
- Digital and social media outreach to consumers, media and educators across Watermelon.org website and social media platforms Facebook, Instagram, Pinterest, Twitter, TikTok and YouTube is updated to reflect consumer editorial interests and topics across the calendar year, positioning watermelon key messages and amplifying purchase drivers. In 2022, the website had 827K page views and social media had 24 million impressions and video views.
- Boosted nutrition messaging to consumers through health professionals and registered dietitians via newsletters and targeted advertising that promotes the *Wide World of Watermelon* registered dietitian toolkit.

Marketing Committee

- Coordinated and conducted promotional programs with over 20 retailers such as Albertsons, Safeway, Publix, Kroger, Target, Hy-Vee and HEB to name a few. Programs included recipe videos, social media posts, promotional ads in circulars, other store literature, in-store demos, digital media posts, partnered promotions and corporate training events.
- Prospected and executed digital retail avenues to reach the consumer within the purchasing funnel. These programs have previously included Ibotta, DotDash Meredith, and Genesis' App>Less experience. As an early adopter of these types of programs, NWPB has seen much success. Year over year, digital campaigns have provided valuable consumer insights that inform future strategic direction to reach shoppers in stores and incentivize them to make their watermelon purchase with increasing frequency no matter the season.
- Implemented shoppable recipe tech (Chicory), making the recipes on the website commerce enabled so that ingredients can be shopped directly on the website - connecting consumers to retailers with just a few clicks.
- Continued and evolved the retail display contest into a merchandising contest that encouraged retailers to not only design creative in-store experiences, but also inspired them to promote within their consumer's the path to purchase. Annually, the contest receives approximately 150 entrants and reports an average of 35% increase in sales.
- Exhibited at five regional tradeshow to directly communicate with produce industry professionals that work with watermelon. These shows were the perfect opportunity to promote training materials and resources specifically created for backroom employees on watermelon best practices.
- Secured USDA grants of over \$290,000 for the implementation of international marketing promotional and communication programs that made millions of consumer impressions and lifted sales with minimal investment from the watermelon industry.

Foodservice Committee

- Earned extensive media coverage for watermelon through ongoing media relationships strengthened by activations through the International Foodservice Editorial Council at the annual Bubble Party during the National Restaurant Show and the annual conference in the fall.
- Executed a paid media campaign to keep watermelon messages in front of foodservice operators in the fall and winter as well as a year-round digital media partnership with the

Culinary Institute of America reaching foodservice decision makers more than 1.2 million times throughout the fiscal year.

- Created new inspirational content including Watermelon Flavor Dynamics highlighting how watermelon pairs well with flavors from around the world, global recipes utilizing the flesh, juice and rind and a new video and photography adding to Year-Round Story of watermelon highlighting California as a growing region.
- Sponsored and attended foodservice events to reach many niche audiences within foodservice. Events included FoodOvation (2), the International Fresh Produce Association Foodservice Show, Flavor Experience, Mise Conference, and Hospitality Executive Exchange to total reaching more than 450 foodservice companies representing more than 80,000 foodservice locations.
- Executed foodservice promotions in more than 650 restaurants across more than 30 states with in-store signage, increased watermelon messages via digital and social channels, and more, to reach consumers and move more watermelon menu items.
- Sponsored the Center for the Advancement of Foodservice Educators reaching foodservice educators from 62 schools representing 28 states. During CAFÉ and elsewhere, continued the promotion of the Watermelon Culinary Curriculum having been utilized by more than 1,200 chefs since its launch in 2017.

Research Committee

- Executed Consumer Research with Aimpoint Research with results presented via webinar to the Board and industry in addition to the results being used to build the next FY's program: <https://www.watermelon.org/audiences/industry/research/consumer-research/>.
- Continuously analyzed and shared retail scan data with the watermelon industry from IRI now Circana: <https://www.watermelon.org/audiences/industry/research/retail-research/>.
- Continuously analyzed and shared retail ad tracking data with the watermelon industry from Numerator: <https://www.watermelon.org/audiences/industry/research/retail-research/>.
- Executed new consumer at foodservice and operator studies to better understand sentiments towards watermelon in Foodservice with results shared with the Board, through the website and utilized when working with chains and building the new FY's program: <https://www.watermelon.org/audiences/industry/research/foodservice-research/>.
- Research Analysis effectively leveraged all currently available research across nutrition, consumer, retail and foodservice. The product was a summary report based on the analysis as well as relevant secondary sources to understand on a cohesive basis the broad opportunities, hurdles and trends that will drive increased watermelon use in 2022 and beyond. The report was shared with the Board.
- Econometric Evaluation of the NWPB from 2017-2021 was executed by Armada Intelligence, Inc., to better understand the affect the Board has had on the industry and the economy as a whole with the report being shared with the full Board and Industry: <https://www.watermelon.org/audiences/industry/industry-compliance/>.
- Dose Response Effect of Watermelon Consumption on Ambulatory Blood Pressure in Adults with Pre-hypertension: A Randomized Controlled Pilot Trial executed by the Illinois Institute of Technology is still underway.
- Evaluating the association of watermelon consumption with nutrient intake, diet quality, and physiological parameters in children and adults executed by Nutrition Impact LLC., is a National Health and Nutrition Examination Survey (NHANES) Analysis that led to a Board presentation in October 2022, paper published in December, and acceptance to the Nutrition 2023 conference for presentation.
- Targeted media relations to promote results of the NHANES study was executed by Wild Hive which included distribution of the press release through newswire services which reach

a broad range of consumer media as well as health and science journalists (such as PR Newswire and EurekAlert!) to drive awareness of the research study.

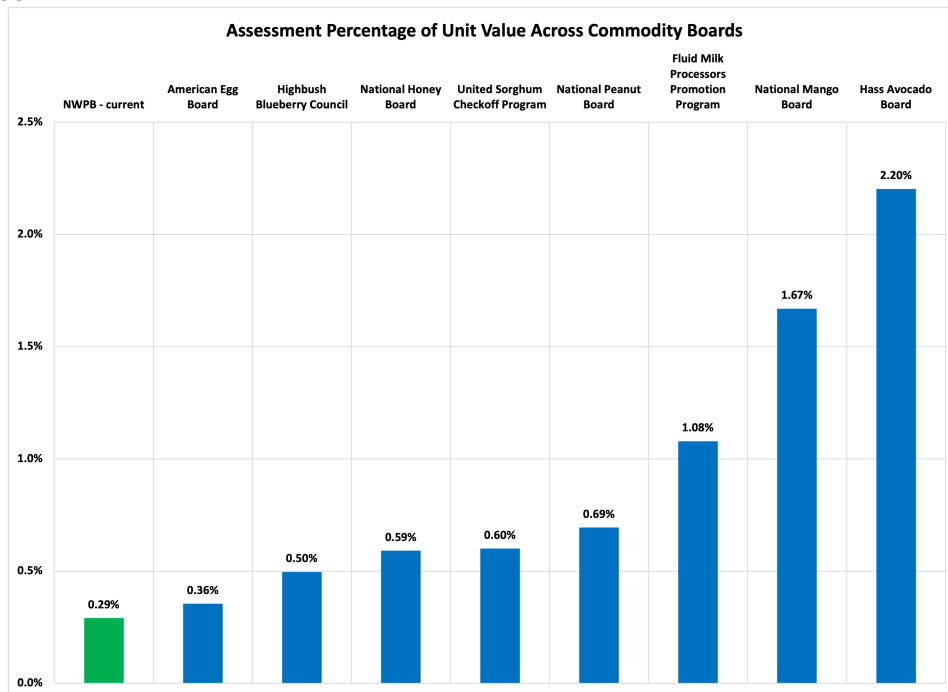
See more in the [2022/2023 Annual Report](#).

NWPB Assessment Rate Compared to Other Commodity Boards' Assessment Rate and Product's Farm Value

It is important to also note the assessment rate of other commodity groups as compared to watermelon. The following table compares several national promotion programs administered by USDA, looking at assessment as a percentage of unit value. While the unit values differ per commodity, each relates to the unit value of the individual commodity as reported by USDA. The unit value is calculated by dividing the value of production by the production units. These figures; production, value of production, unit value of production (price), are taken directly from reports published by USDA. These reports include data from NASS, AMS, FAS, ERS, and annual reports produced by the individual Boards.

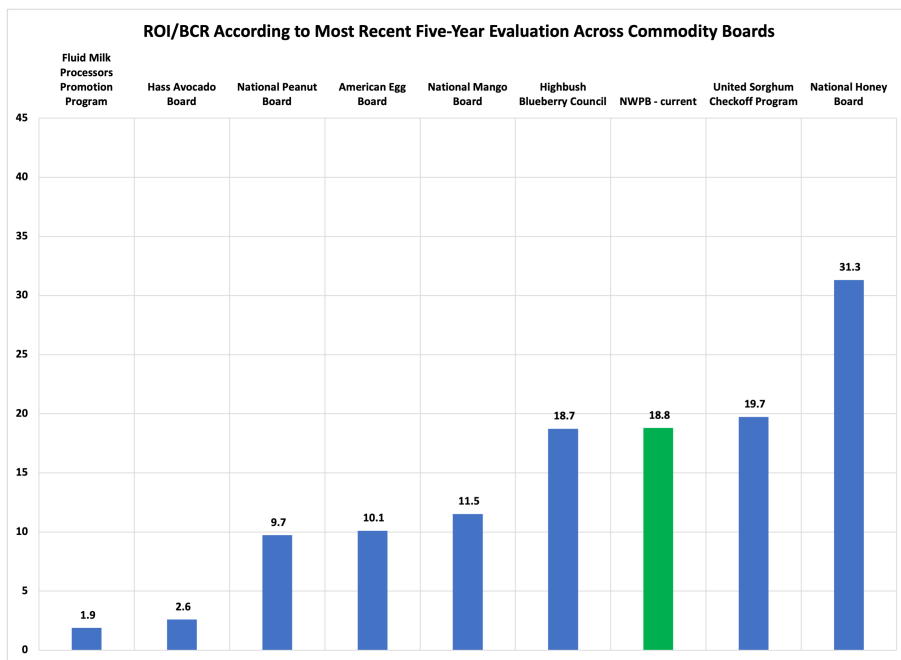
Assessment Comparison						
Commodity - 2021	Unit	Assessment per Unit	Unit Value of Production	Assessment % of Unit Value	Production (Units)	Value of Production
NWPB - current	cwt	\$ 0.06	\$ 20.65	0.291%	56,789,900	\$ 1,172,466,051
American Egg Board	30-Dozen Case	\$ 0.10	\$ 28.16	0.355%	309,431,389	\$ 8,713,212,000
Highbush Blueberry Council	ton	\$ 18.00	\$ 3,625.44	0.496%	701,676	\$ 2,543,885,099
National Honey Board	lb	\$ 0.015	\$ 2.54	0.591%	667,000,000	\$ 1,694,180,000
United Sorghum Checkoff Program	Bushel	\$ 0.0357	\$ 5.95	0.600%	447,810,000	\$ 2,666,217,000
National Peanut Board	Ton	\$ 3.41	\$ 491.31	0.694%	3,180,666	\$ 1,562,694,000
Fluid Milk Processors Promotion Program	cwt	\$ 0.20	\$ 18.54	1.079%	443,380,000	\$ 8,220,265,200
National Mango Board	lb	\$ 0.0075	\$ 0.45	1.670%	1,232,510,281	\$ 553,628,761
Hass Avocado Board	lb	\$ 0.025	\$ 1.13	2.203%	2,973,588,384	\$ 3,374,137,094

The results of this comparison are displayed in the following chart. One can note that the current assessment on watermelon is the smallest as a percent of the unit value of the included commodities.



The information shown above is derived from various USDA data branches for the 2021 season; and all assessment values were collected from each commodity's respective promotional organization.

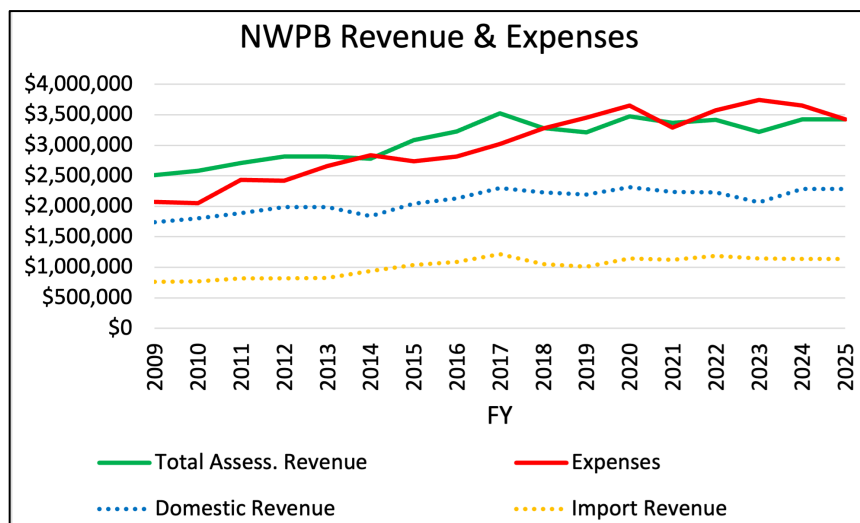
Moving from assessment level to return on investment, the NWPB ranks among the highest ROI when compared to the same Board's five-year econometric evaluations. This list is not exhaustive but does highlight other boards.



Please note, each Board executes its own evaluation and methods vary.

Watermelon Board Revenue & Expenses 2008-2025

Below are the revenue and expenses since 2008 when the last increase took place. Between 2009-2018, there was a unique combination of revenue exceeding projections and some programs, while executed, were under budgeted amounts. In 2018, the Executive Committee directed a drawdown of operating reserve to fund more robust activities in an increasingly competitive marketplace.






To achieve a balanced budget in 2025, the budget and programs will have to be reduced by \$315,176 compared to 2023. The goal is a balanced budget regardless of the assessment rate.

	2023	2024*	2025*
Revenue	\$3,216,887	\$3,426,783	\$3,426,783
Expense	\$3,741,959	\$3,649,557	\$3,426,783

Assessment Increase




The 2023/2024 budget was used to estimate the two budget levels. The numbers are not exact for the 2025/2026 fiscal year if the assessment increase is approved due to 3-year volume averages to come in the future but it does illustrate the two distinct levels. The current rate is .06/hundredweight, Option 1 is .08/hundredweight, and Option 2 is .09/hundredweight. The following graphics are a handout at the industry presentations, found as Appendix C.

Watermelon Board Assessment Rate for Growers/Shippers

Watermelon Weights	Current Assessment	Option 1	Option 2
Per Pound 	\$0.0003	\$0.0004	\$0.00045
700 lb Bin 	\$0.21	\$0.28	\$0.315
A Load 	\$12	\$16	\$18

All of these figures are for growers and shippers. Double the amount is paid by the importers.

Watermelon Board Assessment Rate for Importers

Watermelon Weights	Current Assessment	Option 1	Option 2
Per Pound 	\$0.0006	\$0.0008	\$0.0009
700 lb Bin 	\$0.42	\$0.56	\$0.63
A Load 	\$24	\$32	\$36

All of these figures are split between growers and shippers. The full amount is paid by the importers.

Current Assessment (6-cent/hundredweight Budget)

2023/2024 Operating Budget	
Revenue	1-Apr-23 -- 31-Mar-24
Domestic Assessments	2,121,522
Collections (Previous Year's Assessments)	145,763
Interest & Penalties	32,204
Assessment Under/Overpayments	(14,702)
Interest & Penalties Under/Overpayments	(385)
Import Assessments	1,136,981
Interest (Bank)	5,400
Revenue Total	3,426,783
Expenditures	1-Apr-23 -- 31-Mar-24
Administration Total	580,802
Marketing Total	659,639
Communications Total	954,292
Industry Affairs Total	392,500
Foodservice Total	522,239
Program Research Total	299,465
Board Meetings Total	93,620
Federal Agencies Total	147,000
Expenditure Total	3,649,557
Excess Expenditures Over Revenue	(222,774)
Forecasted Carryover 4/1/23	455,000
Budgeted 2023/24 Expenditures Over Reve	(222,774)
Forecasted Carryover 4/1/24	232,226
Frozen Reserves	704,000
Total Reserves	936,226

Strategic Program

The Board will continue high caliber programming to increase demand but programs have already started to scale back to levels needed for a balanced budget.

Communications:

- Eliminate Streaming TV ads
- Lessen Podcast advertising
- Withdraw paid educator outreach
- Decrease events for consumers, influencers, RDs, potentially Marine Corps Marathon
- Reduce social media ad boost budget

Marketing:

- Reductions in digital retail marketing
- Scaling back tradeshow participation and trade media advertising
- Adjustments to retail representative promotional budgets
- Trimming down the presence of shoppable recipes on website

Foodservice:

- Decrease media – earned and paid
- Fewer events – limited product sampling

Research:

- Lessen nutrition research studies
- Decrease retail scan data

Option 1 (8 cent/hundredweight Budget)

2025/2026 Operating Budget (\$0.08 assessment rate)	
Revenue	1-Apr-25 -- 31-Mar-26
Domestic Assessments	2,759,569
Collections (Previous Year's Assessments)	193,865
Interest & Penalties	42,831
Assessment Under/Overpayments	(19,554)
Interest & Penalties Under/Overpayments	(512)
Import Assessments	1,512,185
Interest (Bank)	5,400
Revenue Total	4,493,784
Expenditures	1-Apr-25 -- 31-Mar-26
Administration Total	626,024
Marketing Total	901,756
Communications Total	1,210,052
Industry Affairs Total	433,452
Foodservice Total	694,664
Program Research Total	381,556
Board Meetings Total	99,280
Federal Agencies Total	147,000
Expenditure Total	4,493,784
Excess Revenue Over Expenditures	-
Forecasted Carryover 4/1/24	250,000
Budgeted 2025/26 Revenue Over Expenditure	-
Forecasted Carryover 4/1/26	250,000
Frozen Reserves	704,000
Total Reserves	954,000

Strategic Program Additions

The bullets below provide examples of how the additional assessment funds could be spent pending research, trends and ultimately Board direction and approval.

Communications Committee

- **Increase investment in streaming media advertising of watermelon commercial content on both Connected TV (television channels/Roku) and streaming podcasts (iHeartMedia) to reach wider audiences over longer flight times with a lower CPM.**
- **Increase influencer program investment to create more authentic watermelon messaging content on earned audience platforms. Vet new partners to reach more diverse audiences across more generations on more platforms.**
- **Invest in health professional outreach with fresh resource materials and promote at in-person dietitian events with product sampling and experiential marketing opportunities.**
- Co-op event sponsorship opportunities – reach key audiences like media, fitness professionals, educators, and influencers (culinary, lifestyle, nutrition) – at existing events that are making a comeback.
- **Video production to create new watermelon advertisements for streaming ads and additional short form video of grower stories for TikTok and YouTube Shorts channels.**

Marketing Committee

- **Increase budget for retailer incentives – Many promotional programs with the larger retailers continue to have high minimums for participation – an increased budget makes it possible to participate in these, monitor ongoing opportunities that may be a great fit as well as work with more independents.**
- Additional hours for retail account management team – More budget for retail activations means more time spent on prep, promotions, follow-ups and reporting. If NWPB wants to increase direct, personal contact with retailers, more hours in key areas are necessary. The increased budget would compensate their time and cover their expenses.
- Increased state/regional association marketing support – Boost investment in state/regional marketing programs to amplify reach, engagement and impact at the local level.
- **Increased tradeshow presence – Would allow NWPB to not only exhibit and provide educational materials, but also have a stronger presence and/or sample recipes on the show floor. It would also provide the flexibility of vetting other retail trade show opportunities where it would be beneficial for NWPB to exhibit.**
- Increased international marketing program efforts – Increased budget will not only cover costs of international marketing program items but will also allow NWPB to participate in global-based initiatives (GBIs) conducted in Canada, our largest export market, with other MAP cooperators. Additionally, increased budget will also assist in launching other export market promotional programs.

Foodservice Committee

- Invest in more content creation to tell the story about where watermelon comes from and how it is used on menus to be used across all programs.
- **Extend the fall/winter paid media campaign to encompass year-round placements to keep watermelon - and the NWPB's messages - top-of-mind.**
- **Elevate watermelon's presence at Foodservice Events whether it entails higher sponsorship investment or more event execution to place watermelon on the menu or program, more often.**
- **Restructure the Foodservice Support & Promotions Program to raise the maximum spending limit with operators making it more feasible to work with national chains and reach their customers on a greater scale.**

Research Committee

- **The Nutrition Research program has reached the level where human trials are the most relevant investment to further the nutrition research on watermelon as well as provide findings strong enough to warrant communications. The additional funds from the increase would afford the Board one additional human nutrition research project a year.**

Note: Bold bullets were highlighted in the Assessment Increase Presentation.

Option 2 (9-cent/hundredweight Budget)

2025/2026 Operating Budget (\$0.09 assessment rate)	
Revenue	1-Apr-25 -- 31-Mar-26
Domestic Assessments	3,070,228
Collections (Previous Year's Assessments)	218,645
Interest & Penalties	48,306
Assessment Under/Overpayments	(22,053)
Interest & Penalties Under/Overpayments	(578)
Import Assessments	1,705,472
Interest (Bank)	5,400
Revenue Total	5,025,420
Expenditures	1-Apr-25 -- 31-Mar-26
Administration Total	626,024
Marketing Total	1,077,196
Communications Total	1,385,492
Industry Affairs Total	433,452
Foodservice Total	811,624
Program Research Total	445,352
Board Meetings Total	99,280
Federal Agencies Total	147,000
Expenditure Total	5,025,420
Excess Revenue Over Expenditures	-
Forecasted Carryover 4/1/24	250,000
Budgeted 2025/26 Revenue Over Expenditure	-
Forecasted Carryover 4/1/26	250,000
Frozen Reserves	704,000
Total Reserves	954,000

Strategic Program Additions

The bullets below provide examples of how the additional assessment funds could be spent pending research, trends and ultimately Board direction and approval.

Communications Committee

- Increase investment in streaming media advertising of watermelon commercial content on both Connected TV (television channels/Roku) and streaming podcasts (iHeartMedia) to reach wider audiences over longer flight times with a lower CPM.
- Increase influencer program investment to create more authentic watermelon messaging content on earned audience platforms. Vet new partners to reach more diverse audiences across more generations on more platforms.
- Invest in health professional outreach with fresh resource materials and promote at in-person dietitian events with product sampling and experiential marketing opportunities.
- Co-op event sponsorship opportunities – reach key audiences like media, fitness professionals, educators, and influencers (culinary, lifestyle, nutrition) – at existing events that are making a comeback.
- **Watermelon month sustainability-focus media event – Engage with key food reporters and influencers to encourage fresh, long-term coverage for watermelon. Create an experience media and social influencers and other attendees would want to share on social media and also impact long term media coverage contributions.**
- **Traveling Watermelon Stand experiential campus pop ups to reach Gen Z and showcase watermelon taste, convenience, versatility and sustainability (Use the**

Whole Watermelon) while leaning on “corner store aesthetics” playing off the comfort and nostalgia of the lemonade stand or corner store.

- **Advertising opportunity with Catalina – Convenience/gas station videos at the pump to maximize impressions in watermelon market locations. Together with the retail marketing program, create and place ads surrounding grocery, club and mass retail stores where watermelon can be bought, creating awareness and reminding consumers to purchase. These ads are 100% viewable, non-skippable, audio always on and 1:1 captive environment.**

Marketing Committee

- Increase budget for retailer incentives – Many promotional programs that are national in scope with the larger retailers continue to have high minimums for participation. An increased budget makes it possible to participate in these, monitor ongoing opportunities that may be a great fit as well as work with more independents.
- Additional hours for retail account management team – More budget for retail activations means more time spent on prep, promotions, follow-ups and reporting. If NWPB wants to increase direct, personal contact with retailers, more hours in key areas are necessary. The increased budget would compensate their time and cover their expenses.
- Increased state/regional association marketing support – Boost investment in state/regional marketing programs to amplify reach, engagement and impact at the local level.
- Increased tradeshow presence –Would allow NWPB to not only exhibit and provide educational materials, but also have a stronger presence and/or sample recipes on the show floor. It would also provide the flexibility of vetting other retail trade show opportunities where it would be beneficial for NWPB to exhibit.
- Increased international marketing program efforts – Increased budget will not only cover costs of international marketing program items but will also allow NWPB to participate in global-based initiatives (GBIs) conducted in Canada, our largest export market, with other MAP cooperators. Additionally, increased budget will also assist in launching other export market promotional programs.
- **Grocery TV (GTV) – In-store advertising network that allows you to communicate with audiences in brand-safe retail spaces, all while validating each impression in real-time. From small towns to big cities and everything in between, GTV has the coverage ability to launch tailored campaigns for audiences all across the country with over 19,000 digital displays in grocery retailers nationwide, reaching 50 million shoppers a month.**
- Advertising opportunity with Catalina – Convenience/gas station videos at the pump to maximize impressions in watermelon market locations. Together with the communications program, create and place ads surrounding grocery, club and mass retail stores where watermelon can be bought, creating awareness and reminding consumers to purchase. These ads are 100% viewable, non-skippable, audio always on and 1:1 captive environment.

Foodservice Committee

- Invest in more content creation to tell the story about where watermelon comes from and how it is used on menus to be used across all programs.
- Extend the fall/winter paid media campaign to encompass year-round placements to keep watermelon - and the NWPB's messages - top-of-mind.
- Elevate watermelon's presence at Foodservice Events whether it entails higher sponsorship investment or more event execution to place watermelon on the menu or program more often.

- Restructure the Foodservice Promotions Program to raise the maximum spending limit with operators making it more feasible to work with national chains and reach their customers on a greater scale.
- **Conduct direct to culinary student outreach (versus culinary educators) to reach the chefs of tomorrow more directly with watermelon education and inspiration.**
- **Execute a recipe contest that would touch all aspects of the foodservice program – utilize media relationships and paid opportunities to spread the word, highlight the winner(s) at foodservice events, use recipe submissions in chain work to highlight peer ideas of how to use watermelon, etc.**

Research Committee

- The Nutrition Research program has reached the level where human trials are the most relevant investment to further the nutrition research on watermelon as well as provide findings strong enough to warrant communications. The additional funds from the increase would afford the Board one additional human nutrition research project a year.
- **Invest in more consumer/retail research to better understand the watermelon consumer and how they shop. Studies could include focus groups, path to purchase studies, merchandising analysis and more.**

Note: Bold bullets were highlighted in the Assessment Increase Presentation.

Tiered Increase

USDA would permit a tiered increase as an option, but it must happen over two consecutive years. Here is how that would work:

- New total assessment rate of 8 cents per hundredweight effective January 1, 2025 (Option 1)
- New Total assessment rate of 9 cents per hundredweight effective January 1, 2026 (Option 2)

Besides spreading out the increase over two years, this option could be done under one Rule. Any tiered increase over a longer timespan requires two separate Rulemaking processes (which have an associated cost to execute).

The Process for an Assessment Increase

Industry awareness and input through:

- Presentation based on this document at Association Meetings/Conventions
- Ongoing NWPB Executive Committee Meetings
 - Continually evaluating and revamping how this is perceived and discussed
- Monthly articles in the NWPB Watermelon Update
- Webpage dedicated to information on the increase
- Industry mailer
- Town Hall at NWA Annual Convention
- Final NWPB decision at February Board Meeting
- If the Board votes to proceed:
 - USDA Submission
 - 60-Day Comment Period
 - USDA Rule making
- Projected on January 1, 2025 the new assessment level would be collected.
 - This is the soonest it could happen but it could take longer.

Appendixes

A: About the National Watermelon Board

B: Watermelon Board Assessment Rate for Growers/Shippers and Importers



About National Watermelon Promotion Board

The National Watermelon Promotion Board (NWPB), based in Winter Springs, Florida, was established in 1989 as an agricultural promotion group to promote watermelon in the United States and in various markets abroad. Funded through a self-mandated industry assessment paid by more than 700 watermelon producers, handlers and importers, NWPB mission is to increase demand for watermelon through promotion, research and education programs.

A serving of nutrient-dense watermelon provides an excellent source of Vitamin C (25% DV), a source of Vitamin B6 (8% DV), and a delicious way to stay hydrated (92% water), with only 80 calories per 2-cup serving. Watermelon consumption per capita in the United States was nearly 15.5 pounds in 2022. Watermelon consumption in the United States was nearly 5.2 billion pounds in 2022. The United States exported an additional 328 million pounds of watermelon. For additional information, visit www.watermelon.org.

Committees

The full Board of Directors is divided into committees. The President appoints each Member to a committee. The standing committees include:

- Executive
- Research
- Communications
- Marketing
- Foodservice

In addition, a Board Member can be appointed to an ad hoc committee, which is formed for a specific purpose and dissolves when the issue has been resolved. Committees save the Board time by being the specialist in their area. The committee works out details and decides what programs will be implemented.

Executive Committee

The Executive Committee is responsible for developing policy, budget and the overall administrative duties of the Board. The Executive Committee is made up of producer, handler and importer members. Each district selects one member annually to serve on the Executive Committee. The President and 1st Vice President are selected from the Executive Committee by vote of the Full Board. The President appoints the Secretary/Treasurer.

Research Committee

The Research Committee is responsible for developing and implementing research to help the promotion and education programs (Attitude & Usage Studies, Retail Scan Data, Menu Trend Research, etc.), health and nutrition research, and other topics supporting the promotion of watermelon. The President appoints the Research Committee members and Chairperson. A liaison from the National Watermelon Association and scientific community advisors are invited to sit on the Research Committee.



Communications Committee

The Communications Committee is responsible for consumer education and communicating watermelon's health, value, sustainability, and versatility messaging year-round. Watermelon information and key messaging is communicated through digital and social media platforms across the Watermelon.org website and Watermelon Board social media channels every week of the year to inspire seasonal and solution-oriented watermelon usage at home, reaching 20M impressions annually. Watermelon is advertised to consumers through programmatic ads in podcasts, streaming TV and Google ads, and is positioned and promoted to target audiences that include health professionals/dietitians, teachers/educators, and media/content creators. Influencers and expert partners promote watermelon recipes, health and happiness benefits to diverse audiences ranging from fitness pros and dietitians to families and NASCAR fans, both online through social media and through in-person events.

Marketing Committee

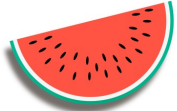
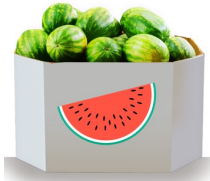

The Marketing Committee is responsible for the creation and execution of a marketing campaign that targets both retail and international markets. Retail marketing efforts primarily focus on reaching key shoppers and household decision makers through retail activations that include digital retail programs, regional retail collaborations and in-store merchandising efforts designed to influence consumer choices at every stage of their purchasing journey. In addition, the retail program extends its reach by providing retail education outreach through online learning modules and tradeshow participation. International marketing efforts focus on exploring export marketing opportunities through the USDA Market Access Program and inspiring new and existing watermelon consumers to purchase U.S.-grown watermelon in those export markets through consumer, retail and foodservice programs.

Foodservice Committee

The Foodservice Committee is responsible for developing and implementing an effective foodservice marketing campaign. This includes outreach to culinary, marketing, purchasing and operations decision-makers. Foodservice Media such as *Nation's Restaurant News*, reach foodservice with watermelon education and inspiration through earned and paid media messages throughout the year. Industry events such as the Flavor Experience provide the opportunity to showcase watermelon's versatility and fill the Board's pipeline with contacts, such as Aramark and Tropical Smoothie Cafe. Promotions with brands such as First Watch and ideation sessions with chains such as Wendy's, can lead to ongoing watermelon menu usage. Lastly, culinary school outreach influences the chefs of tomorrow. The ultimate goal is to place more watermelon on foodservice menus to move more watermelon through the supply chain and place more watermelon messages in front of consumers. Nearly 70% of consumers told us foodservice experience has an impact on consumer retail purchase.

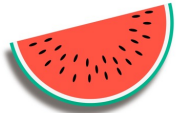
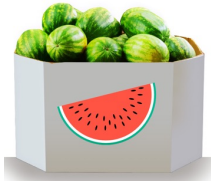

Note: These committees are made up of watermelon producer, handler and importer members. The committees consist of 6-8 members. The President appoints the committee members and chairperson.

Watermelon Board Assessment Rate for Growers/Shippers

Watermelon Weights	Current Assessment	Option 1	Option 2
Per Pound 	\$0.0003	\$0.0004	\$0.00045
700 lb Bin 	\$0.21	\$0.28	\$0.315
A Load 	\$12	\$16	\$18

All of these figures are for growers and shippers. Double the amount is paid by the importers.

Watermelon Board Assessment Rate for Importers

Watermelon Weights	Current Assessment	Option 1	Option 2
Per Pound 	\$0.0006	\$0.0008	\$0.0009
700 lb Bin 	\$0.42	\$0.56	\$0.63
A Load 	\$24	\$32	\$36

All of these figures are split between growers and shippers. The full amount is paid by the importers.