

Maple Economics and Industry Trends



THE UNIVERSITY OF VERMONT
EXTENSION

Mark Cannella

Mark.Cannella@uvm.edu

802-476-2003

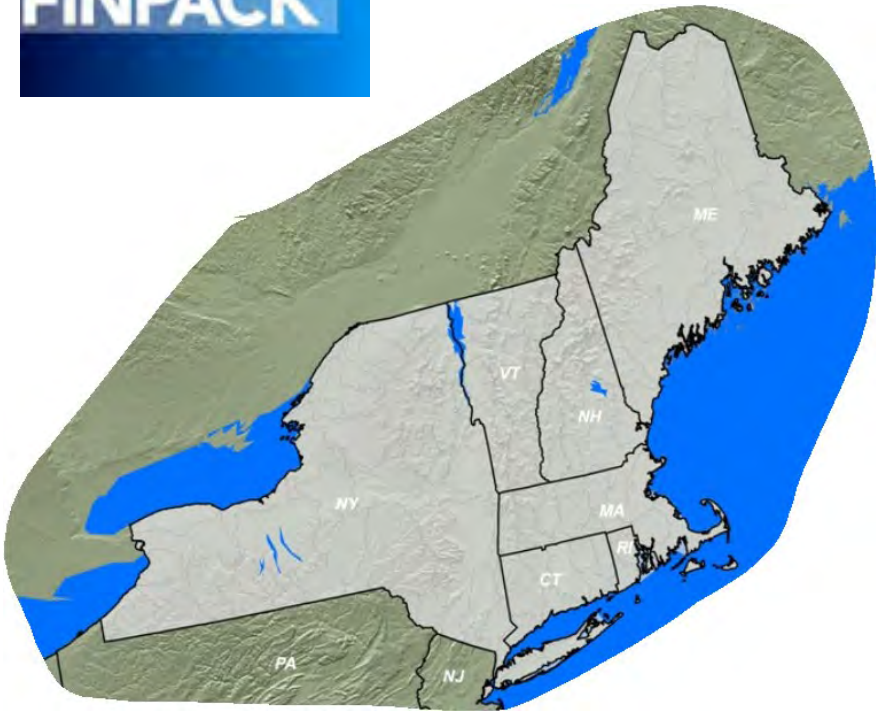
blog.uvm.edu/farmvia/

Vermont Maple Benchmark

- 2013 – 2017 Finances
- 20 Producers Per Year
- Starting to Observe the 4-5 Year Averages
- Seeking More Participants !



USDA: Northeast Maple Benchmark



- Financial Analysis in NY, VT, NH, ME
- Syrup: 15,000 tap and over
- Sap-Only: 5,000 taps and over

Business Planning Programs

- Work one-on-one with a business adviser
- Business Plan Development
- Financial Statements and Analysis



Vermont Housing &
Conservation Board

VERMONT FARM & FOREST
VIABILITY PROGRAM

Online Maple Business Modules



- 5 year Average Yield
- Crop Yield Forecast
- Gross Sales Forecast and Pricing Calculator
- Cost of Production Budget
- Self-Guided Business Plan

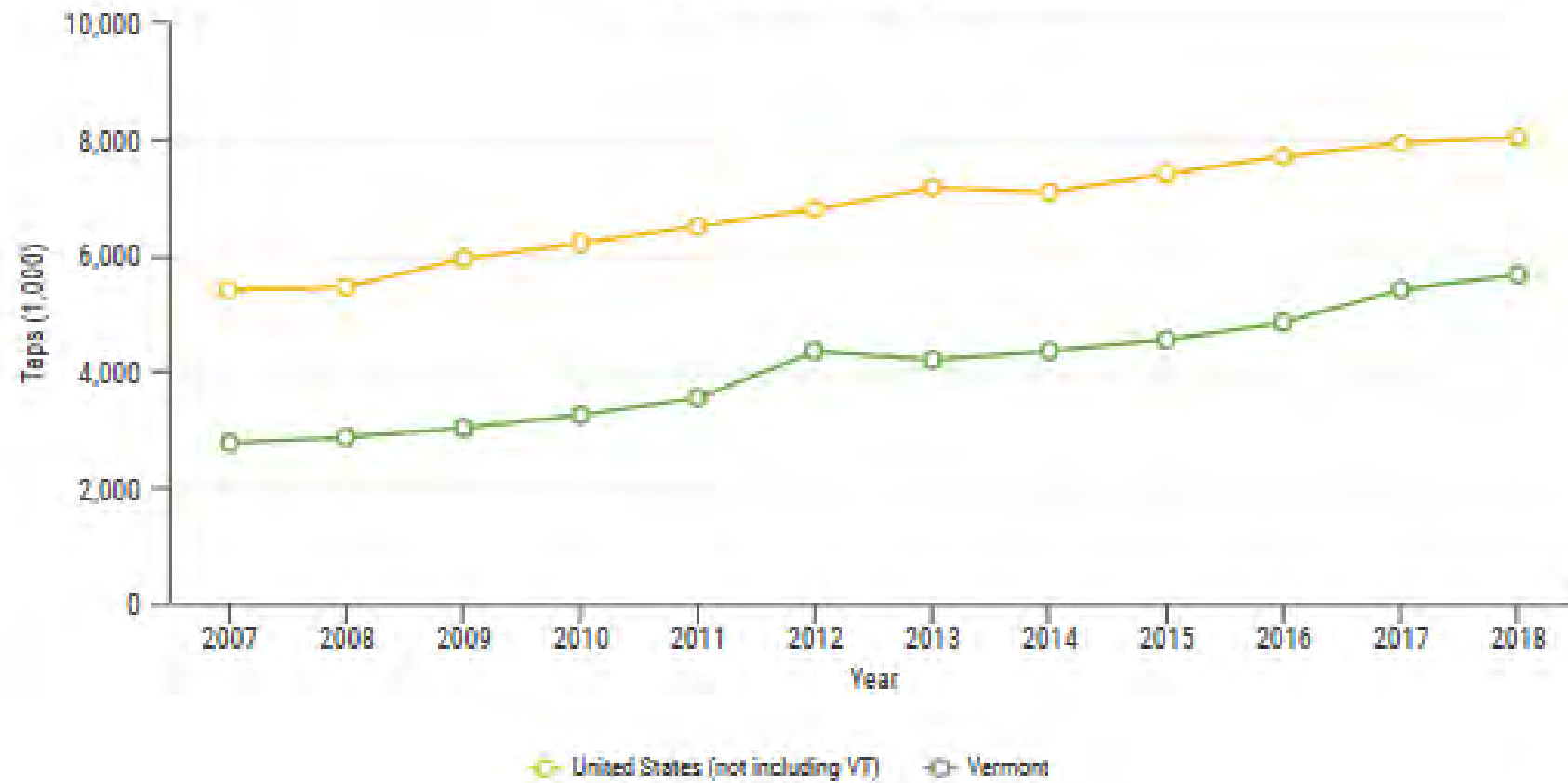


USDA: Acer Development Project

- Update silvicultural guidelines for modern maple.
- Legal and economic resources for sap producers, syrup producers, landowners and buyers.



MAPLE SYRUP: Taps

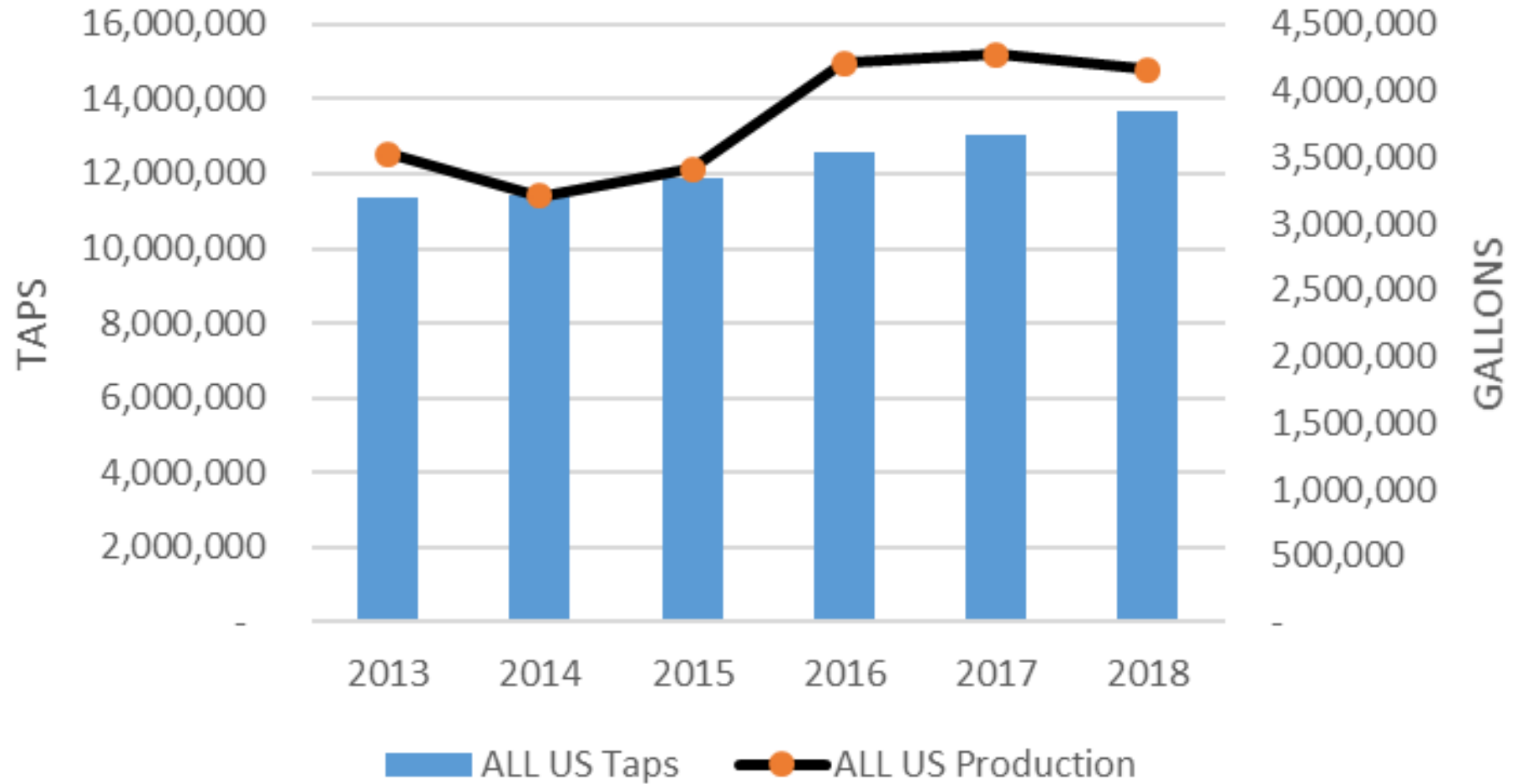


Data from [USDA National Agricultural Statistics Service](#)

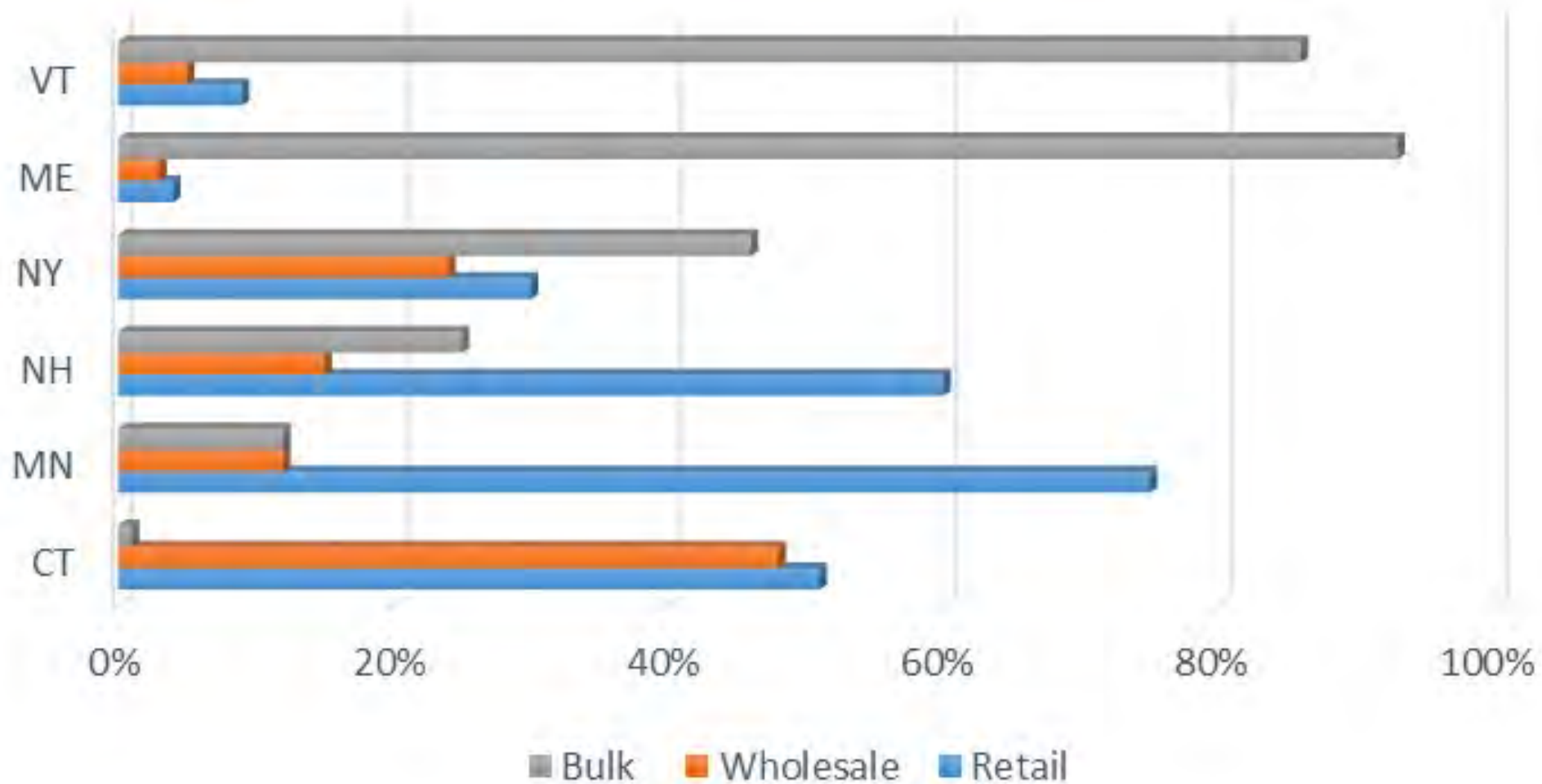
MAPLE SYRUP: Total Production



US Maple Taps and Production (NASS)

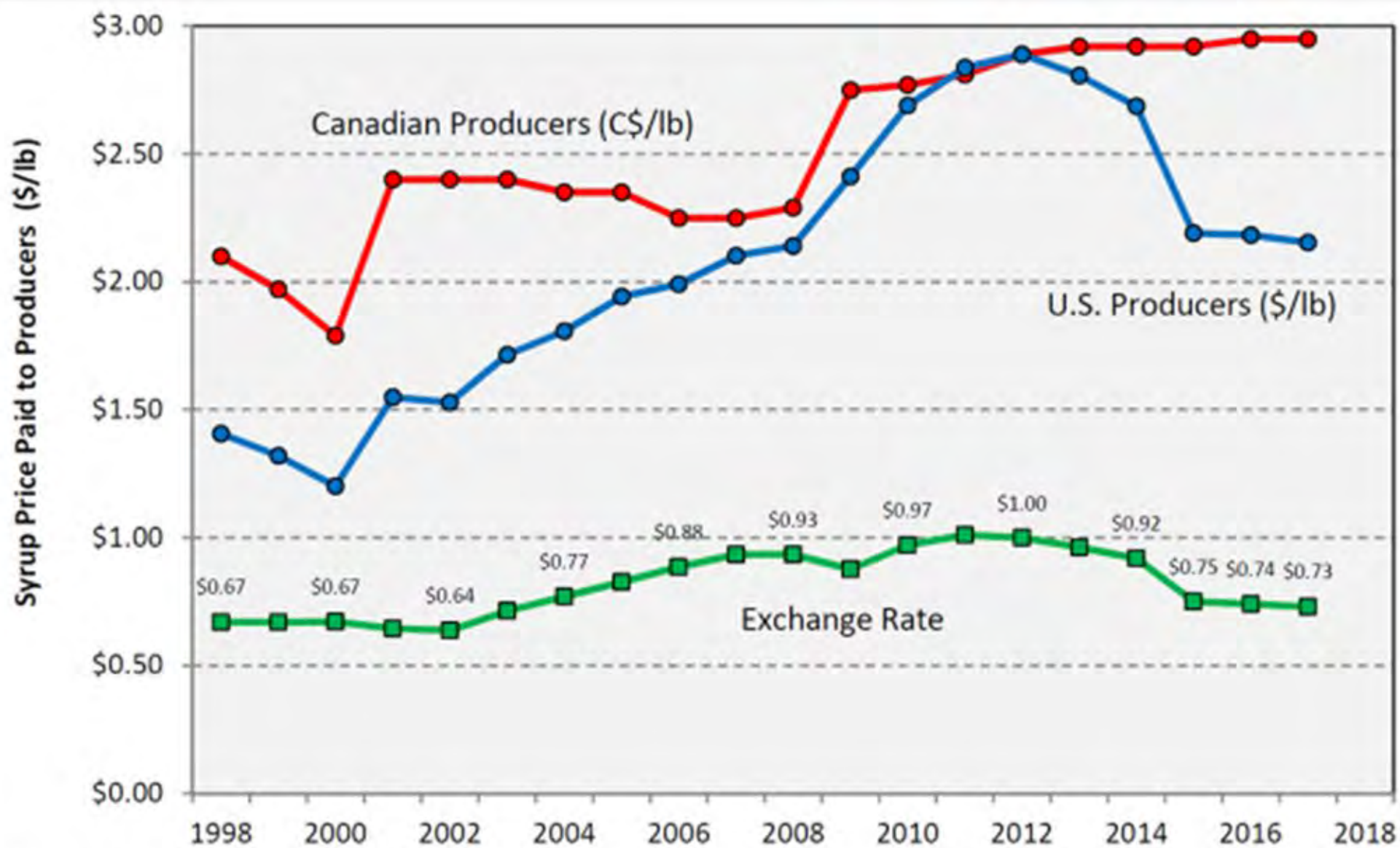


Sales Type By Market Channel



2016 Maple Syrup Price





Data Source: Federation of Quebec Maple Producers

T. Perkins, UVM Proctor Maple Res Ctr

Small # of US Bulk Buyers

- Sales Trends vs. Supply Forecast
- Competition
- Currency Exchange
- Position within Firm
 - *Loyalty, risk, liquidity*

Quebec Federation

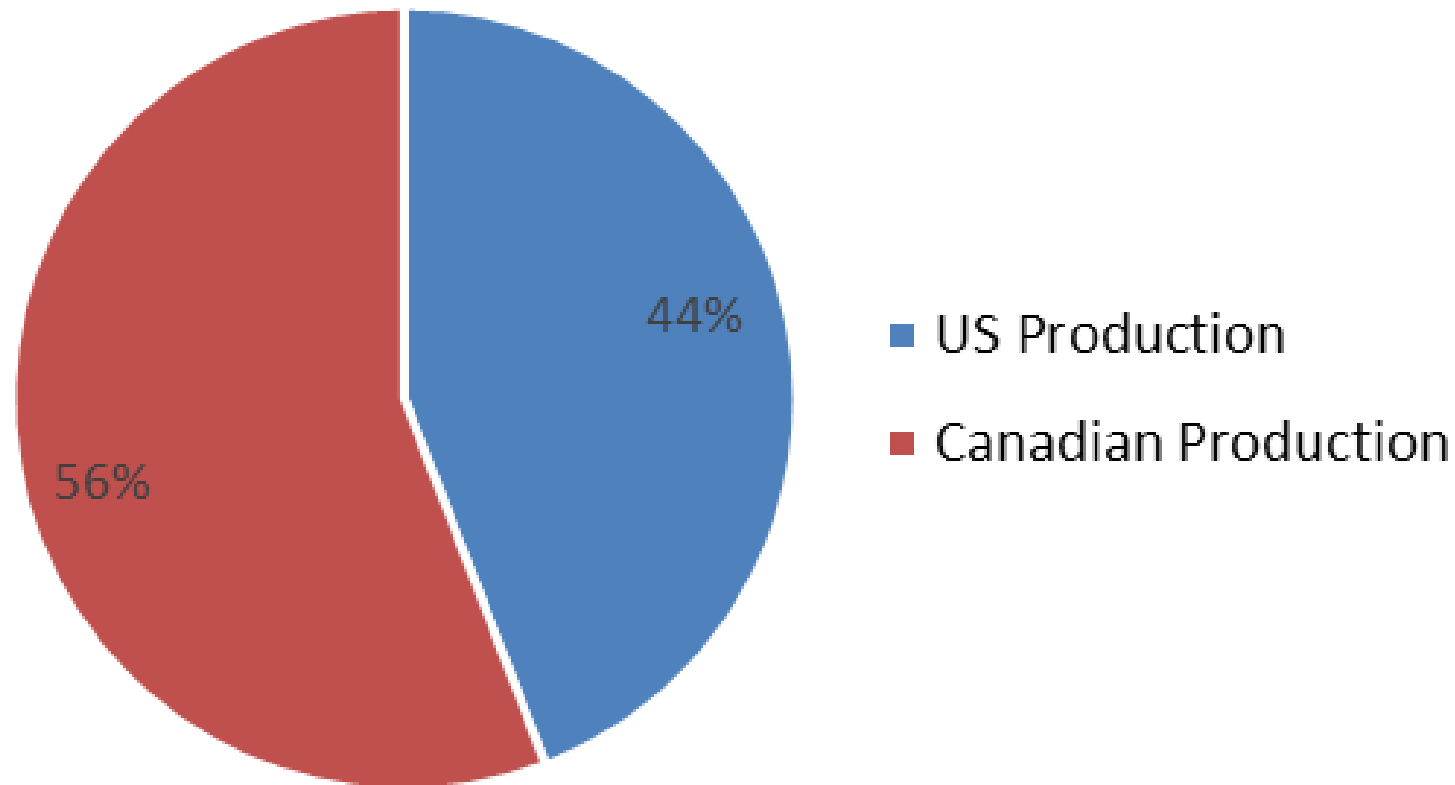
- Inventory and Supply Forecast
- Export Forecast
- Global Market Share

**Bulk
Market Price**



US Maple Consumption in 2015

(USDA Economic Research Service,
<https://www.ers.usda.gov/>)



Trade Policy

- **Trans Pacific Partnership (TPP):** USA is out, results in 17% tariff on US Syrup entering Japan.
- **Canada-EU (CETA):** USA faces 8% tariff to enter EU while Canada does not.
- **New US Tariff Strategy:**
 - ❑ Increased package cost
 - ❑ Increased Equipment Costs



Marketing Outlook

- USDA lists 34 active market orders for specialty crops in the US.
- Private or Public collective marketing?
- Who are we competing against?
 - Producer vs producer
 - Vermont vs Other States
 - US vs Canada





**Quebec
Federation**

**US Bulk:
Producer
Coop**

US Bulk Buyers

- New Mass Product Development
- Import Substitution



**Specialty Bulk
Buyers**

**Market
Price**



**Direct or
Wholesale Prices**

Wood-Fired Maple Syrup!

Product Innovation

- **Differentiation**
 - (story, origin, features)
- **Service**
- **Product Form**



Small Bulk- Part Time



Taps: 3,000

FTE and Livelihood: ~\$10,000 draw; 500 hours per year

Capital:

- ☐ Equipment and Bldg: \$180,000

- ☐ Forest Land: ~\$40,000

Cost of Production:

- ☐ Per Pound: \$2 – 2.15

- ☐ Per Tap: \$ 11- \$15

Small Retail

Taps: 3,000

FTE and Livelihood: ~\$45,000 draw; 2250 hours per year

Capital:

- ❑ Equipment and Bldg: \$180,000
- ❑ Forest Land: ~\$40,000

Cost of Production:

- ❑ Per Gallon: \$75-90 (\$7-8.00 per pound)
- ❑ Per Tap: \$30-\$35



Middle Bulk



Taps: 8,500

FTE and Livelihood: ~\$45,000 Draw,
2,500 hours

Capital:

- ☐ Equipment and Bldg: \$375,000
- ☐ Forest Land: ~ \$115,000

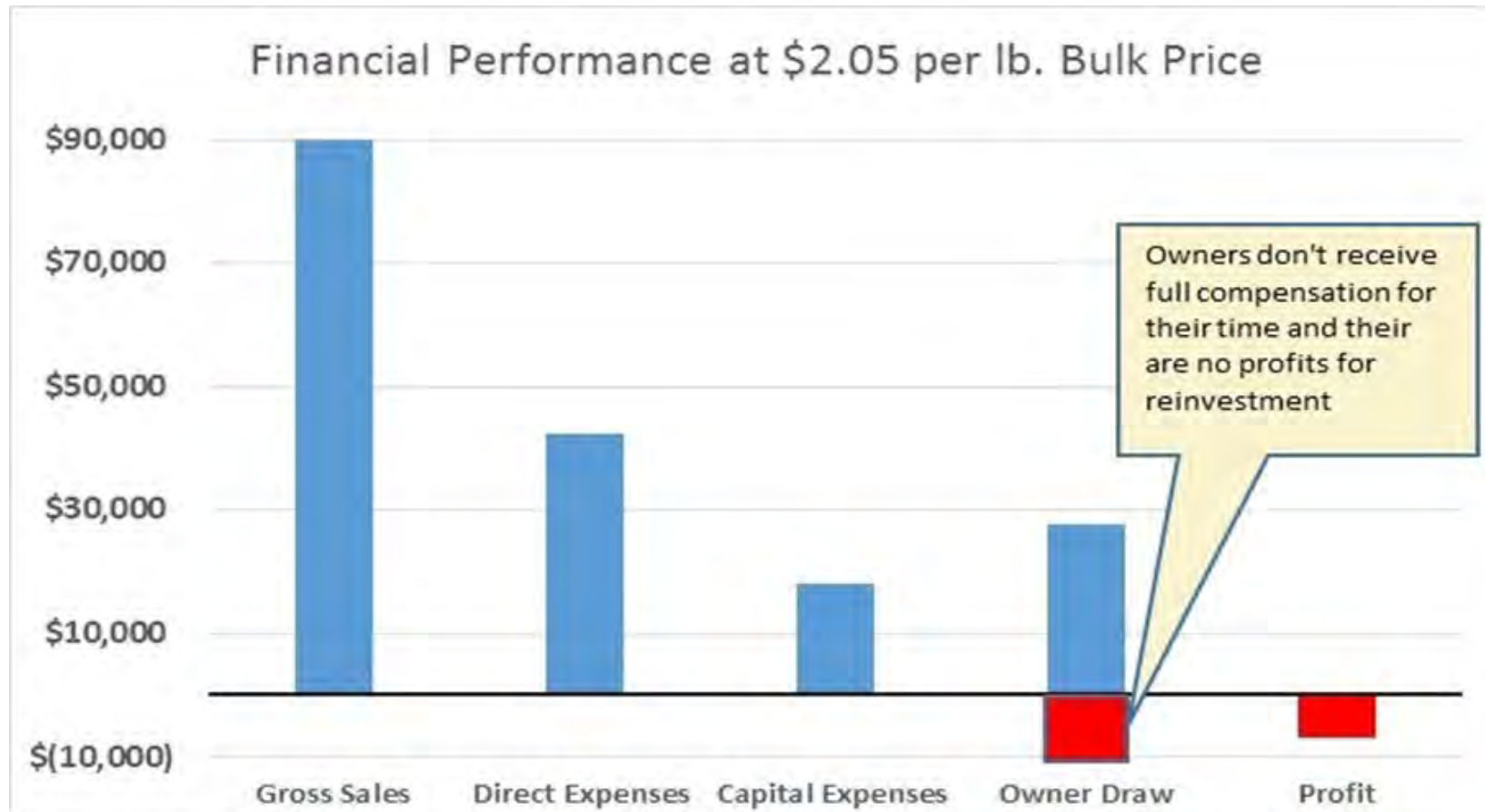
Cost of Production:

- ☐ Per Pound: \$ 2.05 - \$2.30
- ☐ Per Tap: \$ 11 - \$13.50

8,500 Tap - Strong Management – 6lbs per tap



8,500 Tap – No longer Break-Even



Larger Bulk



Taps: 20,000

FTE and Livelihood: \$60k -\$75k draw with staff

Capital:

- ❑ Equipment and Bldg: \$ 800,000
- ❑ Forest Land: ~\$ 275,000

Cost of Production:

- ❑ Per Pound Average: \$1.90 - \$2.15
- ❑ Per Tap: \$9 - \$12



Mark.Cannella@uvm.edu

blog.uvm.edu/farmvia

Thank you to our funders

*This material is based upon work supported by USDA/NIFA
under Award Number 2015-49200-24225.*



United States
Department of
Agriculture

National Institute
of Food and
Agriculture

