



INTERNATIONAL MAPLE SYRUP INSTITUTE REPORT

Summer 2018:

The quarterly Board of Directors Meeting of the International Maple Syrup Institute (IMSI) was held in Saratoga Springs, New York on Wednesday, July 18th. Representation at the meeting was from maple producer associations, maple packers/processors, maple equipment manufacturers/vendors, small maple enterprises, maple researchers, maple marketing specialists and others. New IMSI Board representatives, Philippe Breton of Lapierre Equipment and Martin Desilets of Dominion and Grimm, were in attendance at the meeting. The IMSI also convened meetings of the social media initiative and successional planning task teams in advance of their Board meeting.

IMSI Executive Director Announces His Departure, Effective January 1st, 2019:

The IMSI Executive Committee has been active in assessing the IMSI's successional planning needs going forward. At the meeting in Saratoga Springs, NY, Dave Chapeskie, who has served as the IMSI's Executive Director for over 10 years, announced his decision to leave the position after December 31st, 2018. Dave announced his intentions so that the IMSI Executive and Board would have some time to plan for transition to a new Executive Director incumbent. A job ad for a new IMSI Executive Director will be posted in the next edition of Maple News and in other communications in both the United States and Canada. Dave advised the IMSI Board that he would announce plans for the next phase of his career at the IMSI Annual meeting in New Hampshire in October. Dave will continue as the IMSI Executive Director and it will be business as usual until December 31st, 2018.

Maple Syrup Supply and Demand:

Growth in maple syrup production capacity in the U.S. is estimated at one million taps. A planned expansion of five million taps is underway in Quebec over a two year period. Production capacity in Ontario and New Brunswick is growing by up to 5 to 7% each year.

Going into the 2018 production season, supply was very good in most areas with about 80 million pounds of maple syrup in the Federation's strategic reserve. Some packers/processors have also held inventory surplus over the past two years. This may lead to some re-balancing of supply and demand in 2019. It is expected that there will be a sufficient supply of maple syrup to meet overall demand in 2019.

Bulk syrup rates in Quebec are currently being negotiated between the Federation and the Maple Industry Council. Some level of decrease in the Federation's syrup inventory is anticipated in 2019 due to stable and in some areas increasing demand and a reduction in the 2018 crop compared to 2017 of about 30 million pounds. The strategic reserve is meant to deal with annual crop fluctuations such as this and all indications are that the industry will be able to meet North American and World demand in the upcoming sales year. Generally, packers are holding good inventories.

Sales of real maple products continue to be strong, with global demand gradually increasing. An interesting fact is that organic maple syrup is now about 30 million pounds of the intake into the strategic reserve, but demand for organic syrup has leveled off. It is not known what that may mean in the sales season ahead. It is possible that some producers may drop their certification because of the current demand situation.

Canadian Government Imposes Tariff on Maple Syrup:

In late May, the Canadian government announced proposed tariffs on a variety of products entering Canada from the United States, including maple syrup. This was in direct response to U.S. tariffs on Canadian aluminum and steel products entering the United States which had been announced earlier. Following this announcement, the Canadian Maple Advisory Committee, with representation from Ontario, Quebec, New Brunswick and Nova Scotia, sent a letter, with rationale, recommending that maple syrup be removed from the proposed list of products to which the new Canadian tariff would apply. Subsequently, the Canadian government chose not to remove maple syrup from the listing and so a new tariff of 10% on maple syrup entering Canada took effect on July 1st. We understand that there is an exemption to recoup the expenses associated with the tariff on any of the syrup imported into Canada which subsequently re-enters the United States. Now that the decision has been made by the Canadian government to impose the new tariff, the Canadian Maple Advisory Committee will be again expressing their opposition to the new tariff and reiterating its potential negative impacts.

FDA Added Sugar Issue:

We are making very good progress towards addressing this issue but it is not over yet, despite some media coverage suggesting otherwise. The Washington, DC based lobbyist retained by the IMSI is helping us stickhandle this with wording to advance through the U.S. House and Senate. The IMSI position remains unchanged in that we are requesting an exemption for single ingredient maple products. We need to keep our fingers crossed at this point. FDA appears to be cooperating with favorable language in the proposed Bill at this time.

There was a meeting scheduled in DC with CSPI (Center for Science in the Public Interest) officials on July 31st. Representatives of the maple industry, along with those from the honey industry, will pitch to CSPI the rationale and merits of our IMSI position in requesting an exemption for single ingredient real maple products to the added sugar provision. Emma Marvin, Roger Brown and IMSI Lobbyist Dr. John Goldberg represented the IMSI at this meeting. The position of CSPI has thus far been aligned with that of the FDA on the added sugar provision. Because of their influence with the FDA, it would be very positive if we can help CSPI to see things from our perspective and understand the validity of our position. It may take three to four months or perhaps longer before we have a resolution to the added sugar issue.

FDA Review and Consultations on the Definition of Healthy Foods, Including Labeling Implications:

The FDA has currently initiated dialogue, including public consultations, on the definition of healthy foods. This includes a review of what constitutes healthy foods with potentially broader food labeling implications than the nutritional facts panel requirements. The IMSI has retained our DC based lobbyist Dr. John Goldberg to participate in an FDA sponsored public consultation meeting and to report back to the IMSI Executive Director on specific content and possible implications to the maple syrup industry.

USDA Dietary Guidelines Review:

USDA has initiated a review of their Dietary Guidelines for Food. There has been some initial consultation by FDA to determine the scope of the study. We are hoping to be able to nominate a maple research specialist to participate directly on their advisory committee when the scope of the review has been finalized and the door opens for Advisor Committee Nominations.

IMSI Issues Identification and Needs Analysis - A Look Ahead:

The IMSI Board of Directors engaged in a brain storming session to identify issues seen as important to the North American Maple Industry going forward. Some of the issues brought forward at the session were:

- Uncertainty regarding the outcome of ongoing trade negotiations and merger of processors/packers.
- Negative impact of tariffs.
- Concern about maintaining the right balance between supply of syrup in the medium and longer-term.
- Margins on bulk syrup sales being lower and future prices unknown.
- Need for an economic analysis of the U.S. Maple Syrup Industry.
- Concern about off-flavored syrup being sold in some sales outlets.
- Need for stepped up awareness and education focused on product quality.
- Potential that some of those involved in expansion of production may not have a long-term commitment to the industry.
- Need to continue to monitor and proactively engage in regulatory initiatives by both Federal Governments – US and Canada.
- Need to stay focused on the intent of taste descriptors in the classification/grading system and product quality assurance.
- Need to fully support the new maple grades and color classification system for maple syrup; there is a very good market for very dark syrup provided that it is of good quality.
- Need to stay vigilant regarding eliminating any potential contaminants in real maple products.
- Need to stay connected and communicate effectively (consensus that we are doing this very well now).
- The maple industry will continue to change and we need to stay nimble.
- Need to respect and understand the special needs of small producers.
- Need to pay attention to RO water discharge issues, especially pH and temperature attributes.
- Need to develop a viable recycling option for sap collection system components (tubing, fittings, etc.).
- Need to review the scope and priorities of the IMSI (including re-active versus pro-active emphasis).

IMSI Social Media Campaign:

The IMSI Social Media Task Team met in Saratoga Springs, NY in advance of the Board of Directors Meeting. Brad Gillilan, IMSI Director and Project Lead, provided an update on progress achieved since the IMSI's social media Facebook page (English language) was launched in September of 2017. As of the meeting, there were 800 site followers. Unfortunately, the site was hacked earlier this year which caused an unfortunate disruption in the postings for awhile. Aside from this problem, the postings have been refreshed monthly. Lots of content has been put forth, tied mostly to the seasons. IMSI Board consensus is that we have made very good progress in implementing the IMSI's social media campaign. In Saratoga Springs, subject themes for message posting were identified through to the end of the 2018 /early 2019 calendar year. The themes are summarized below:

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| July/August 2018 | - Add a Little Maple to Your Summer-time (BBQ, cooking with maple) |
| September/October 2018 | - Get Out and Experience Maple (focus on color, fall fairs) |
| November/December 2018 | - Sharing Maple with Family and Friends (gifts, Christmas) |
| January/February 2019 | - Sharing the Story of Making Maple Products (equipment, product quality, classifying syrup) |

IMSI members and others are strongly encouraged to re-post the IMSI posts on their Facebook and other social media venues to add to the overall effectiveness and reach of the IMSI Facebook initiative. They are also encouraged to send in articles and pictures for the different themes on an ongoing basis to Dave Chapeskie, IMSI Executive Director (agrofor@ripnet.com).

IMSI Maple Awards (2018):

We are seeking nominations from IMSI members for the IMSI Annual Awards for 2018. The IMSI sponsors the Golden Maple Leaf Award, the Lynn Reynolds Memorial Leadership Award and the IMSI President's Award, which was introduced last year. Information regarding the awards can be obtained from Dave. Award nominations should be sent to Dave Chapeskie (agrofor@ripnet.com) by the deadline of August 31st, 2018.

IMSI International Maple Grading School (2018):

Two grading schools were scheduled in 2018, one in West Virginia and one to be held in Keene, NH on October 24th and 25th, 2018. The registration information for the Keene, NH School is posted at <https://extension.umaine.edu/register/product/2018-maple-syrup-grading-school-keene-nh/>.

The school held in West Virginia was the first held in that area of the country and attendance was comprised of 29 maple producers from West Virginia and Virginia. On the post-training evaluation, 79% of the participants responded that their knowledge gain was three steps or more on a seven step scale. When asked what they would do differently as a result of knowledge gained through the school, course participants listed 14 different quality control practices which they would implement. These included paying more attention to color and clarity of syrup, more confidence about rejecting off-flavours in the final product and raised awareness regarding the importance of classifying and grading syrup.

FDA Food Safety Modernization Act and Health Canada Safe Food for Canadians Act:

The IMSI continues to monitor the roll out of the FDA's new Food Safety Modernization Act (FSMA). The U.S. State governments are being assigned responsibility for implementation and interpretation of the new FSMA requirements. All maple syrup producers in the U.S. may be ultimately impacted by FSMA. Exporters of maple syrup to the United States will also be affected by the new FSMA requirements.

The Canadian government is also working on a new Safe Food for Canadians Act.

State/Provincial level Associations in both the United States and Canada are encouraged to stay abreast of these regulatory developments and take every opportunity to learn about any new or proposed requirements related to food safety and help state government officials to interpret and apply the rules in a practical manner which is workable for maple producers.

Upcoming IMSI Meetings (2018 and 2019):

IMSI Fall Board of Directors Meeting – Friday, October 26th, 2018, Concord, NH.

IMSI Annual Meeting – Saturday, October 27th, 2018, Concord, NH.

IMSI Board of Directors Meeting(Montreal, QC) – Late January/early February 2019. Date to be determined.

IMSI Board of Directors Meeting(Burlington, VT) – May 2019. Date to be determined.

It was agreed that the IMSI would conduct a membership survey to help decide on the location of IMSI Board meetings going forward in 2019 and beyond.

Report Prepared by: Dave Chapeskie, Director, International Maple syrup Institute