



INTERNATIONAL MAPLE SYRUP INSTITUTE UPDATE

November 2016

Introduction:

The International Maple Syrup Institute held their quarterly Board of Directors meeting and their Annual General meeting at the Hilton Hotel in Burlington, Vermont on Wednesday, October 26th and Thursday, October 27th respectively. Both IMSI meetings were very well attended with approximately 60 IMSI directors, members, consultants and others in attendance at the Board meeting. There were several other important meetings throughout the week, including a joint meeting of the IMSI and North American Maple Syrup Council Executive Committees, an IMSI working group meeting with on the IMSI's Marketing Strategy and Implementation Plan as well as nutritional labelling and a meeting with FDA officials to present them with options to address the "Added Sugar" labelling requirement of FDA's new product labelling rules.

The IMSI currently has about 60 members in the United States and Canada, representing state/provincial maple associations, maple packers, packer cooperatives, maple equipment manufacturers, vendors, some individual maple enterprises and maple researchers. A number of state associations, maple packers and maple water companies have joined the IMSI over the past two years. In 2017, there will be IMSI 30 elected Directors and 5 Officers managing the affairs of the Institute. Discussions at the IMSI Board meeting were wide ranging, including maple production aspects, quality assurance considerations, marketing and regulatory issues.

2016 Maple Crop – Supply, Demand and Pricing:

Representatives from the different states and provinces reported that the 2016 maple syrup crop was very good or a bumper crop in many areas, including some of the larger producing regions of Quebec, Ontario, Vermont and New York State. Simon Trepanier of the Federation of Quebec Maple Syrup Producers reported that the 2016 crop of maple syrup in Quebec was 148 million pounds, an unprecedented yield for that province. It was reported that the majority of the syrup produced was of good quality and classified on the lighter side in color. He reported that buyers are asking for more syrup this year, which is an indicator that demand is increasing and/or that buyers are building additional inventories of syrup.

The Regis des Marches Agricoles et Alimentaires du Quebec, a Marketing Board in Quebec, approved the allotment of an additional 5 million taps over a period of 2 years to be allocated to both existing and start-up operations in Quebec. About 72% of this allotment will go to existing maple producers and the remainder to start-ups. 18% of the new taps will be on Crown land and the remainder on private land. An additional allocation of taps is possible in the future if requested by maple industry representatives in Quebec. The Regis has also authorized the Federation to increase quotas allotted to Quebec producers as is deemed necessary in the

future. It is also noted that significant expansion of taps is also planned in the province of New Brunswick over the next few years.

In the United States, the official estimate of production of maple syrup is about 46 million pounds. Unofficial estimates put the number as high as 60 million pounds. It is estimated that the number of new taps being added per year in the United States is about 1 to 1.5 million per year.

Expansion and new operations in both Canada and the United States will incorporate the latest production technologies, which will result in higher average yields per tap than the average yield for operations with older installations. For example, the added taps in Quebec could translate into a production increase of 15 million pounds of syrup per year.

In 2016, continued growth of markets for both Grade A and Processing Grade maple syrup are helping to maintain balance despite production increases. Sales of maple syrup remain strong and are increasing by as much as 5 to 10% per year in some areas. Prices continue to remain stable but there is uncertainty regarding whether or not this stability will be maintained in the medium and longer term. The maintenance of a strategic reserve of about 60 million pounds of syrup in Quebec has also helped maintain price stability in the marketplace over the years. A factor which can affect pricing and profitability, which is very unpredictable, is the Canadian-US exchange rate and this should be closely monitored. While markets for maple syrup remain strong, it was reported by some representatives at the meeting that wholesale profit margins are thin and could deteriorate further, depending on the Canada –US exchange and other market factors.

The supply of certified organic maple syrup in Quebec has increased from about 22% of bulk syrup in 2015 to an estimated 26% in 2016. It was reported that 85 maple producers obtained their organic certification over the past year and others are expected to become certified over the next several years due to the price premium for certified organic syrup and expanded market opportunities, especially in overseas markets. It is expected that the increase in certified organic operations should keep pace with market demand for certified organic syrup.

It is believed, by some meeting participants from Canada and the United States, that annual growth in world consumption of maple syrup is currently about 10 million pounds. At this level, growth in markets may not be sufficient to fully absorb yield increases due to added taps, if overall yields remain as high as in 2016. This points to the need for continued and enhanced efforts in marketing maple syrup so that demand is maintained in reasonable balance with supply going forward.

Gagne Report Update (from Quebec):

The Gagne Report was released by the Quebec government in February 2016 outlining 21 recommendations for change potentially affecting the maple syrup industry in Quebec and elsewhere. The report can be accessed at:

www.mapaq.gouv.qc.ca/SiteCollectionDocuments/Publications/RapportErable_ANGLAIS.pdf

Quebec maple industry officials have recently met with the officials from the government of Quebec to discuss the recommendations in the report.

It is hoped that recommendations in the report will be addressed in a manner which is in the best interests of the maple syrup industry in both the short and longer term. It was reported at the IMSI Board of Directors meeting that currently there is a period of quiet and the Quebec government appears to be content with actions which have been taken to permit tap expansion in the province over the next two years. It is possible that further discussions regarding the Gagne Report will ensue in coming months at the discretion of the Quebec government.

The IMSI considers the Gagne Report to be an internal matter to Quebec, to be dealt with through dialogue between the Quebec government and the maple industry in Quebec, represented by the Federation of Maple Syrup Producers and the Maple Industry Council (MIC). Correspondence regarding the Gagne Report received by the IMSI can be obtained from the Executive Director upon request.

Importance of Quality Assurance of Maple Products:

During the August 2016 IMSI Board meeting, as well as at previous meetings, there was agreement among participants that IMSI, IMSI members and IMSI Consultants must continually work to help maintain the highest of quality standards in the production of maple syrup and other maple products. Discussion ensued about better ways to accomplish this. It was agreed that enhanced awareness and education among producers continues to be very important.

The IMSI sponsored grading school and quality assurance training offered by Centre Acer are seen as essential in helping maintain high quality assurance standards. In addition to these excellent training venues, state and provincial associations are encouraged to offer quality assurance workshops tailored to their specific needs. Those who have attended the IMSI sponsored grading school in the past are encouraged to share their knowledge with their peers at the state/provincial level. Examples were provided at the IMSI meetings in Burlington, where some course participants were planning to organize quality assurance and grading schools at the state level. The IMSI strongly encourages more of this type of local initiative at the state/provincial level.

The organizers of the IMSI sponsored grading school are also exploring opportunities to engage other educators in quality assurance training, including training related to the classification and grading of maple syrup. The IMSI sponsored grading school was offered in conjunction with the Annual Meetings of the North American Maple Syrup Council (NAMSC) and IMSI in Burlington with 26 student participants in the course. A Maple Grading School is planned for Nova Scotia in 2017 and there is some interest in New Brunswick and Ontario to possibly host schools in 2017 as well. IMSI members and others can learn more about the IMSI sponsored Grading School and its upcoming offerings by accessing the University of Maine – Cooperative Extension website at the following link: <http://extension.umaine.edu/maple-grading-school/>. Applicants for the grading school may register on-line.

If additional information regarding the IMSI sponsored grading school is required, please contact Kathy Hopkins at 207-474-9622 or khopkins@maine.edu.

Marketing Strategy for Real Maple Products:

In 2015, both the Board of Directors of the IMSI and the NAMSC endorsed a marketing strategy for maple syrup primarily focused on North America. The IMSI has now finalized work on the development of a generic marketing program based on a goal to double sales of maple syrup over the next 7 years. Representatives of maple producer associations, maple packer representatives, educators, marketing consultants and individual producers have assisted the IMSI in the development of this plan. The IMSI has also developed a marketing implementation plan (MIP), which outlines a number of work activities that would be beneficial to the maple syrup industry. This Marketing Implementation Plan was approved by the IMSI's Board of Directors in May of 2016 and was supported unanimously by the North American Maple Syrup Council (NAMSC) Delegates at their Annual Meeting in October in Burlington.

Mark Harran ,IMSI President and Ray Bonenberg, IMSI President elect(2017/18) delivered a presentation on successful marketing of maple products in the NAMSC meeting forum in Burlington. The side deck for this presentation is appended to this meeting summary.

Two working groups with representatives from the U.S. and Canada have been established to focus initially on the development of a slogan and uniform messaging regarding maple syrup and other real maple products and secondly to identify sustainable sources of financing for generic marketing of real maple products. The **Maple Slogan and Messaging Team** has now finalized some recommendations regarding an approach to slogan development and messaging. This included principles regarding use of the slogan and messaging once it has been developed. This also included an initial assessment of words and options for a slogan. In the late summer and fall of 2016 the IMSI designed a consumer survey and solicited input directly from consumers which will be helpful in the development of a generic slogan and key messages regarding the uniqueness of maple syrup. Dr. Michael Farrell of Cornell University is leading this phase of the project in close collaboration with the IMSI Maple Slogan and Messaging Team. Dr. Farrell presented some preliminary results from the consumer survey at the IMSI Task Team meeting in Burlington. Further information regarding this survey can be obtained from the IMSI's Executive Director as it becomes available.

The IMSI has also established a **Sustainable Sources of Financing Team** to explore options to finance collaborative maple marketing efforts in Canada and the United States.

You may contact the IMSI's Executive Director, Dave Chapeskie, for a copy of the IMSI's Marketing Strategy and Marketing Implementation Plan.

IMSI Keynote Speaker at the NAMSC-IMSI Annual Meeting – Sports Nutrition:

The IMSI's Keynote Speaker at the NAMSC-IMSI annual convention was Melanie Olivier, a sports nutritionist who is a champion for the use of real maple products in professional sports.

Her presentation was dynamic and demonstrated the potential of utilizing real maple as an energy and nutrition source by professional athletes around the globe . She mentioned the importance of continuing to support research into the potential health benefits of maple syrup and other real maple products. This information will be powerful in helping promote real maple products in the sports nutrition field and with other health conscious consumers in the future.

OMNI-IMSI Partnership Project:

The OMNI-IMSI Maple Promotion was launched on Memorial Day (May 30th) and ran through to Labor Day (September 5th). Maple was featured in the OMNI Restaurants, in specially created cocktails at poolside, in spas and in gift shops. OMNI communications, which include a professional video.

David Morgan, Vice President of Food and Beverages at OMNI Hotels and Resorts participated in the IMSI Board meeting in Burlington, VT by teleconference and provided the meeting with a final report for the project. Based on David Morgan's report to the Board, it is apparent that the project was very successful and met the IMSI's objectives to promote real maple in collaboration with OMNI Hotels. David mentioned that 36 different new maple dishes had been featured in OMNI restaurants and there was about \$70,000 in sales of maple cocktails at poolside. Media coverage was excellent and included a featured article coverage by the *Wall Street Journal*. OMNI's final report for the maple promotion is appended to this meeting summary. It is noteworthy that OMNI Hotels plan to continue featuring maple in their Hotel chain in the future building off of the successful collaborative marketing effort with the IMSI.

A number of maple producer associations, maple packers, equipment vendors and maple syrup establishments from Canada and the United States have contributed to financing this OMNI Hotel project under the auspices of the IMSI. A special thank you is extended to all of the project supporters in both Canada and the United States.

For further information on the OMNI-IMSI Partnership Project you can contact Dave Chapeskie, IMSI Executive Director.

Misrepresentation of Maple in the Marketplace:

The IMSI and a number of IMSI member state maple producer associations continue to support the Vermont Maple Sugarmakers' Association (VMSMA) in the ongoing attempt to address the issue of misrepresentation of maple in the market place with the FDA. A copy of the letter, which the VMSMA forwarded to the FDA as well as the recent FDA response can be obtained from the IMSI's Executive Director upon request. The onus is on the maple industry to clearly define real maple products, including maple syrup, if they want a degree of protection through regulation. For example, should maple syrup be defined as an ingredient or a flavor and what would the implications be? It is unlikely that the maple industry will ever achieve exclusivity on the use of the word maple on product labels but they can work to fully define real maple products to help set them apart from fake products or knock-offs. They can also recommend provisions in regulation to limit false or misleading advertising. The IMSI will continue to support the efforts of the VMSMA as they follow-up with FDA officials .

The IMSI and some individual IMSI members have also alerted government regulatory agencies of the need to address the maple misrepresentation issue in circumstances where amendments to maple regulations are being considered or currently are underway (e.g. Ontario, Wisconsin, Canadian Federal government). In 2014, the IMSI developed a position statement on maple misrepresentation, which is being used as a primary reference. A copy of this position statement can be obtained from the IMSI's Executive Director upon request.

It was agreed at the IMSI Board of Directors meeting that the IMSI's Executive Director, working cooperatively with IMSI Maple Association Directors from Canada and the General Manager of the Maple Industry Council (Quebec), will arrange a meeting with representatives of the Canadian government regarding maple misrepresentation and related regulatory instruments and their enforcement. This includes the Consumer Packaging and Labelling Act (CPLA) as well as other pertinent regulations which are currently under development.

The Institute continues to be a member of the American Origin Products Association (AOPA) and to support its ongoing efforts in advocating for product authenticity and is beginning evaluation of the benefits of including maple under the International Codex Alimentarius Certification. The , Federation of Quebec Maple Syrup Producers is working to facilitate a meeting of IMSI representatives with Canadian government officials to begin discussion regarding the merits of Codex as well as the process required to achieve Codex Certification for the maple industry.

The IMSI continues to explore other ways to help address the issue of misrepresentation of maple syrup such as possibly targeting large corporations and the use of social media.

Nutritional Labelling – Proposed Harmonization and FDA Definition of “Added Sugar”:

Current nutritional labeling of maple syrup is quite variable so there would be a significant advantage to having harmonized labelling specifications ready for the roll out of the new FDA requirements. Harmonization would set one standard for industry application in the United States, removing inconsistencies and some confusion which is associated with existing labels. The IMSI has facilitated follow-up with a team of Maple Quality Assurance Specialists employed by Maple Packers and Maple Researchers from both Canada and the United States with the aim of coming up with standardized nutritional label specifications. A draft harmonized nutritional label for use in the United States and possibly internationally was developed in October. The IMSI forwarded the proposed draft label to both the FDA and Health Canada, requesting comment .

Serious concern has been expressed regarding the FDA's requirement for “Added Sugar” to be placed on the label of maple syrup in the United States once the new FDA rules are effective. The IMSI established a team, led by Emma Marvin, Co-Owner of Butternut Mountain Farm, to work on addressing this issue. In October, the IMSI Task Team met by teleconference with FDA officials and presented several options which would address concerns regarding the “Added Sugar” line. The IMSI is now awaiting a response from FDA. While it was stressed with FDA that

an early resolution of the issue was important to meet the new FDA labeling rule deadlines, FDA has not provided any indication as to when the IMSI will receive a response.

North American Maple Contest Guidelines:

The IMSI has worked cooperatively with maple educators in Canada and the United States as well as the North American Maple Syrup Council to prepare uniform contest guidelines for use by judges at the various contests (e.g. Royal Winter Fair, Agricultural Fairs, etc.) in both Canada and the United States. In particular, there was a need to ensure that the contest rules are consistent with the new international classification and grading system for maple syrup. The IMSI Board of Directors endorsed the guidelines at their May meeting and the NAMSC Council Delegates in October. A copy of the new North American judging guidelines can be obtained from the IMSI's Executive Director upon request.

IMSI Annual Awards:

The IMSI continues to administer two Annual Awards recognizing outstanding leadership in the North American or International Maple Syrup Industry. These Awards are the Lynn Reynolds Memorial Leadership Award and the Golden Maple Leaf Award. The 2016 recipients of these awards were announced at the Annual NAMSC-IMSI meeting banquet in Burlington, VT.

Genevieve Beland of St. Hyacinthe, Quebec was the recipient of the IMSI's Lynn Reynolds Memorial Leadership Award for her exemplary contributions to marketing real maple products in the North American and International Marketplace.

Turkey Hill Sugarbush Ltd. of Waterloo, Quebec was the recipient of the IMSI's 2016 Golden Maple Leaf Award for innovation and marketing of high quality real maple products in the international marketplace.

Congratulations is extended to Genevieve and to the Turkey Hill Sugarbush Ltd staff team .

IMSI Officers, Directors and Consultants for 2017:

The IMSI's Officers and Directors were elected during the IMSI's Annual Meeting on Thursday, October 27th, 2016 and the IMSI's Executive Director was appointed. Effective January 1st, 2017, Ray Bonenberg will assume the role of IMSI President and Mark Harran will assume the role of Past President. Mark is thanked for serving the IMSI as President over the past two years and Ray is welcomed into this leadership role. Mark will continue to serve as an officer of the IMSI in the role of Past President.

In 2017, the IMSI will have 30 elected Directors, the maximum number allowed under the constitution. While most Directors are continuing in this role, two new Directors were elected at the Annual meeting. Brad Gillilan will be the new IMSI Director Representative for Leader Evaporator with Gary Gaudette continuing as an independent Director of IMSI. Daniel Dafour, General Manager of the Maple Industry Council in Quebec will also serve as an IMSI Director in 2017.

The full listing of IMSI's Officers, Directors and Consultants for 2017 is provide below:

Slate of IMSI Officers for 2017

EXECUTIVE:

President – Ray Bonenberg (Ontario)
1st Vice-President – JF Goulet (Quebec)
2nd Vice-President – Pam Green (Vermont)
Treasurer – David Campbell (New York State)
Past-President – Mark Harran (Connecticut)
Executive Director – Dave Chapeskie (Ontario)

DIRECTORS (30):

Lyle Merrifield (Maine Maple Syrup Producers Association)
Bill Eva (New Hampshire Maple Syrup Producers Association)
Steve Anderson (Wisconsin Maple Syrup Producers Association and Anderson's Maple)
Lyle Merle (New York State Maple Syrup Producers Association)
Joe Woods (Michigan Maple Syrup Producers Association)
Mark Harran (Connecticut Maple Syrup Producers Association)
Simon Trepanier (Federation of Quebec Maple Producers)
Ray Bonenberg (Ontario Maple Syrup Producers Association)
Louise Poitras (New Brunswick Maple Producers Association)
Avard Bentley (Nova Scotia Maple Syrup Producers)
Michael Herman (Turkey Hill Sugarbush Ltd.)
Sylvie Chapron (Citadelle Cooperative)
J F Goulet (Equipements-Lapierre-Equipments)
Daniel Lalanne (CDL Inc./MaplePro Inc.) (not yet confirmed)
Eric Cote (L.B. Maple Treats)
David Campbell (Mapleland Farms)
Pam Green (Vermont Sugarmakers' Association)
Jacques Couture (Couture's Maple Shop/B&B)
Richard Norman (Norman's Sugarhouse)
David Marvin (Butternut Mountain Farm)
Steve Selby (AEC Specialty Products)
Brad Gillilan (Leader Evaporator, Inc.)
Yves Bois (Center Acer)
Kathy Hopkins (University of Maine Cooperative Extension)
Mark Bigelow (Maple Grove Farms)
Benoit Pepin (Dominion and Grimm)
Bruce Bascom (Bascom Maple)
Andrew Schmidt (Windsor Hill Sugarhouse)
Gary Gaudette (Gaudette Mountain Maple)
Daniel Dafour (Maple Industry Council (CIE))

GOVERNMENT AND RESEARCH CONSULTANTS:

Unspecified (CFIA)
Richard Peterson (USDA)
John Henderson (Consultant)
John Garwood (Marketing Consultant)
Henry Marckres (Vermont Agency of Agriculture, Food and Markets)
Tim Perkins (UVM Proctor Maple Research Centre)
Abby Van den berg (UVM Proctor Maple Research Centre)
Gary Graham (Ohio State University)
Yves Bois (Centre Acer)
Mike Farrell (Cornell University)
Raymond Bernier (MAPAQ)
Kathy Hopkins (University of Maine-Cooperative Extension)

Upcoming IMSI Meetings and Annual Meeting in 2017:

Winter IMSI Board of Directors Meeting – Friday, January 6th, 2017 at the Vernon-Verona School in Verona, New York (in advance of the NYS Winter Maple Conference)

Spring IMSI Board of Directors Meeting – Friday, May 12th, 2017 (in advance of the American Maple Hall of Fame Induction Ceremonies which will be held on Saturday, May 13th, 2017)

Summer IMSI Board of Directors Meeting – Friday August 18th, 2017 (in Ottawa Ontario Details to be confirmed)

2017 Annual Meeting and Maple Conference-Monday Oct 23rd to Wednesday Oct 25th, 2017 (at the Four Points Sheraton Hotel in Levis, Quebec)

Report Prepared by:

Dave Chapeskie, R.P.F.
Executive Director, IMSI
November 13, 2016