

A close-up photograph of a blue plastic collection tube for maple syrup, with a clear plastic tap attached to its top. The tube is positioned vertically against the rough, textured bark of a tree trunk. The background is a soft, out-of-focus greyish-blue.

# Federation of Quebec Maple Syrup Producers:

## Past, Present, and Future



*Fédération des producteurs  
acéricoles du Québec*

# Presentation outline

- 💧 The Federation today
- 💧 Our marketing tools
- 💧 Great tools, great results
- 💧 Conclusion

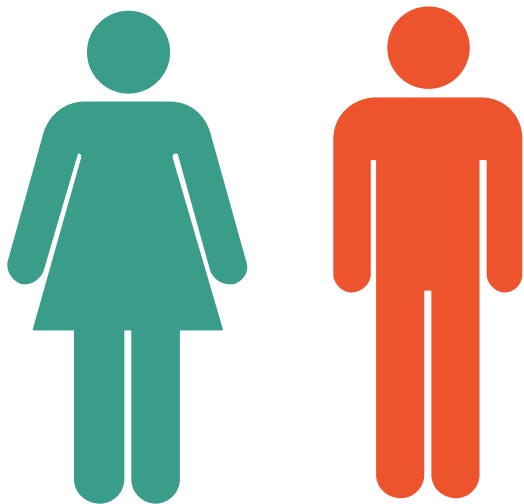


Fédération des producteurs  
acéricoles du Québec

# The Federation today

	Annual growth rate (%)				
	1990	2005	2015	1990-2015	2005-2015
Production (M lb)	38	74	107	4.22	3.75
No of taps (M)	20	38	42	3.01	1.00
On-Farm Value (\$M)	64	161	307	6.47	6.67
Exports (M lb)	XX	65	93	X.XX	3.65
Global demand (M lb)		102	160		4.60

# The Federation today



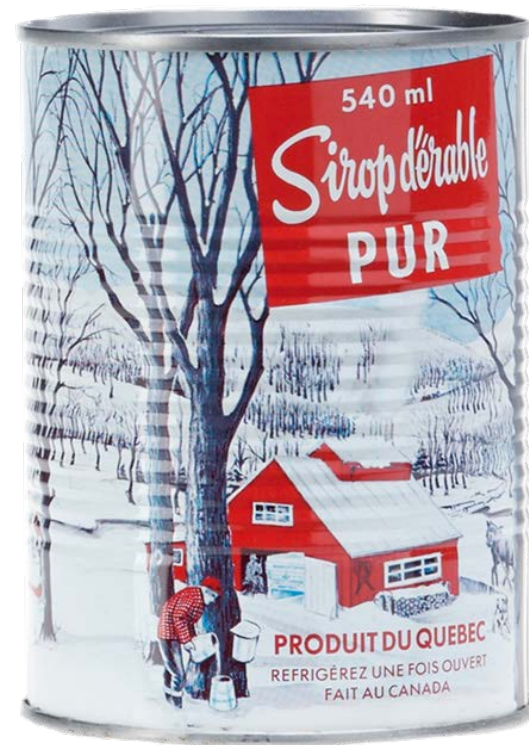
- ◆ 13,500 maple syrup producers
- ◆ In 7,300 companies
- ◆ Part of 12 regional unions
- ◆ 2 warehouses to manage the global strategic reserve
- ◆ Annual sales of around \$275 million
- ◆ 50 employees
- ◆ Mission:
  - ◆ Promote our members' economic, social and moral interests
  - ◆ Coordinate the production and marketing of maple syrup and maple water in Quebec

# Federation financing

Currently, deducts 12¢/lb of maple syrup

- 💧 4.75¢ promotion, research, market development
- 💧 4¢ inventory management
- 💧 2.5¢ administration
- 💧 0.75¢ quality funds

**Annual budget: ± \$12 million**



# Presentation outline

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# Our marketing tools

## Why organize marketing?

### 💧 An imperfect market

- Extremely concentrated processing industry
  - On one hand: Five buyers control nearly 90% of the market (oligopoly)
  - On the other hand: 8,000 production companies (1 buyer/1,600 producers)

### 💧 No control over production

- Imbalance between supply and demand
  - Weather conditions (substantial yield variability)
  - Increased productivity (technological changes)
  - Anarchical sugar bush development (increased number of taps)
  - Increased inventory (supply > demand)
  - The mechanisms in place are insufficient for managing inventories

### 💧 Yo-yo effect on prices

# Our marketing tools



- 💧 1989: Joint Plan
- 💧 2000: World Strategic Maple Syrup Reserve
- 💧 2002: Sales Agency
- 💧 2004: Quotas
- 💧 Promotion
- 💧 Quality control



# Our marketing tools

## 1) The joint plan (1989)

- 💧 Adopted by 84% of producers
- 💧 Makes the Federation producers' sole representative vis-a-vis buyers
- 💧 Gradually re-establishes a healthy balance of power
- 💧 Serves as the toolbox for all other tools put in place later



# Our marketing tools

## 2) The world strategic reserve (2000)

### Objectives:

- Helps stabilize maple syrup prices in the global market
- Ensures a constant market supply
- 💧 Is managed entirely by the Federation
- 💧 Two warehouses
- 💧 Presently about 80M lb of maple syrup



# Our marketing tools

## 3) Sales agency (2002)

- Adopted unanimously by the delegates
- Negotiations of a marketing agreement every 2 years between the buyers (CIE) and the producers

### Objective:

- Manage producer payments and buyer invoicing

### Procedure:

- Buyers pay the Federation for the maple syrup they buy (contract price)
- The Federation pays the producers in proportion to sales (pool)



BIENVENUE CHEZ NOUS

# Our marketing tools

## 4) Quotas (2004)

- ◆ Defined as lb/taps that can be sold in bulk or through a third party
- ◆ Does not limit the production
- ◆ Does not include direct sales to the customer
- ◆ Adopted unanimously by the delegates



# Our marketing tools

## 4) Quotas (2004)

### Objectives:

- **General**
  - Adjust maple syrup supply to demand
- **Specific**
  - Stabilize prices for producers
  - Foster investment
  - Support all business sizes



# Our marketing tools

## 4) Quotas (2004)

### **Some basic information**

- ◆ Quota attached to the land
- ◆ Targeted products: maple water and syrup
- ◆ Applies to bulk sales and sales through intermediaries
- ◆ Does not apply to direct consumer sales in small containers (< 5 liters or kilograms)





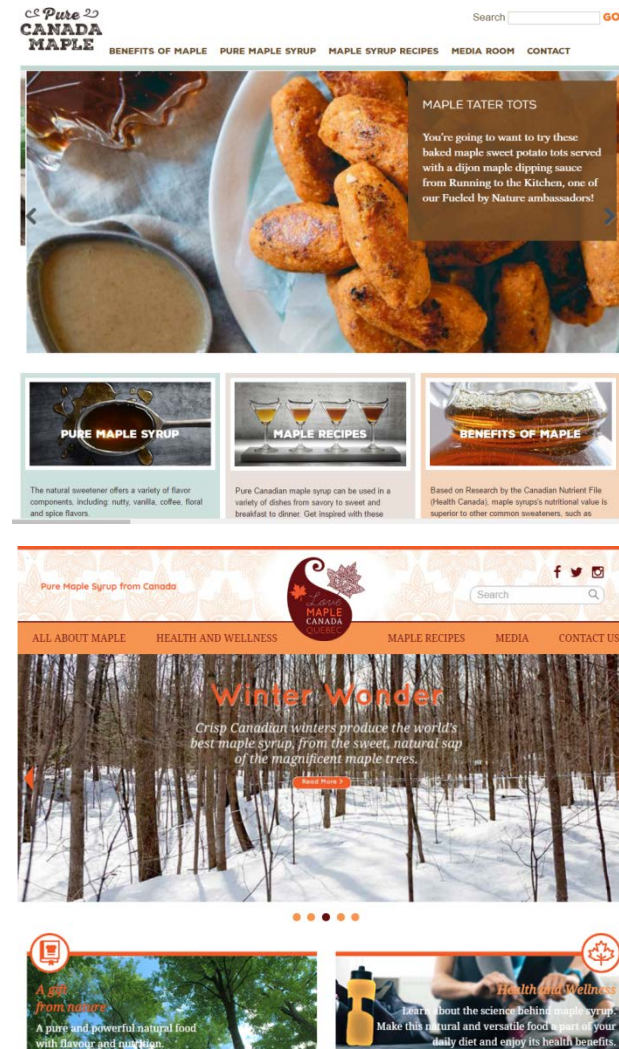
# Our marketing tools

## 5) Promotion

### Objective:

Increase knowledge, visibility, value, and sales of Quebec and Canadian maple products nationally and internationally

- ◆ Web sites and communication agencies in the United States, United Kingdom, India and Japan
- ◆ Since 2005, \$7 million CAD invested, by Quebec's producers, in research on health benefits and environmental impacts of maple syrup
  - ◆ Dr Seeram, University of Rhode Island
  - ◆ Dr Abe, University of Tokyo, Japan
  - ◆ Research centres in Quebec



# Our marketing tools

## 6) Quality control

- Only area in the world to do systematic inspections of all bulk production
- 250,000 barrels/year tasted and analyzed by an independent organisation
- More than 20 mobile inspector teams on the road each year





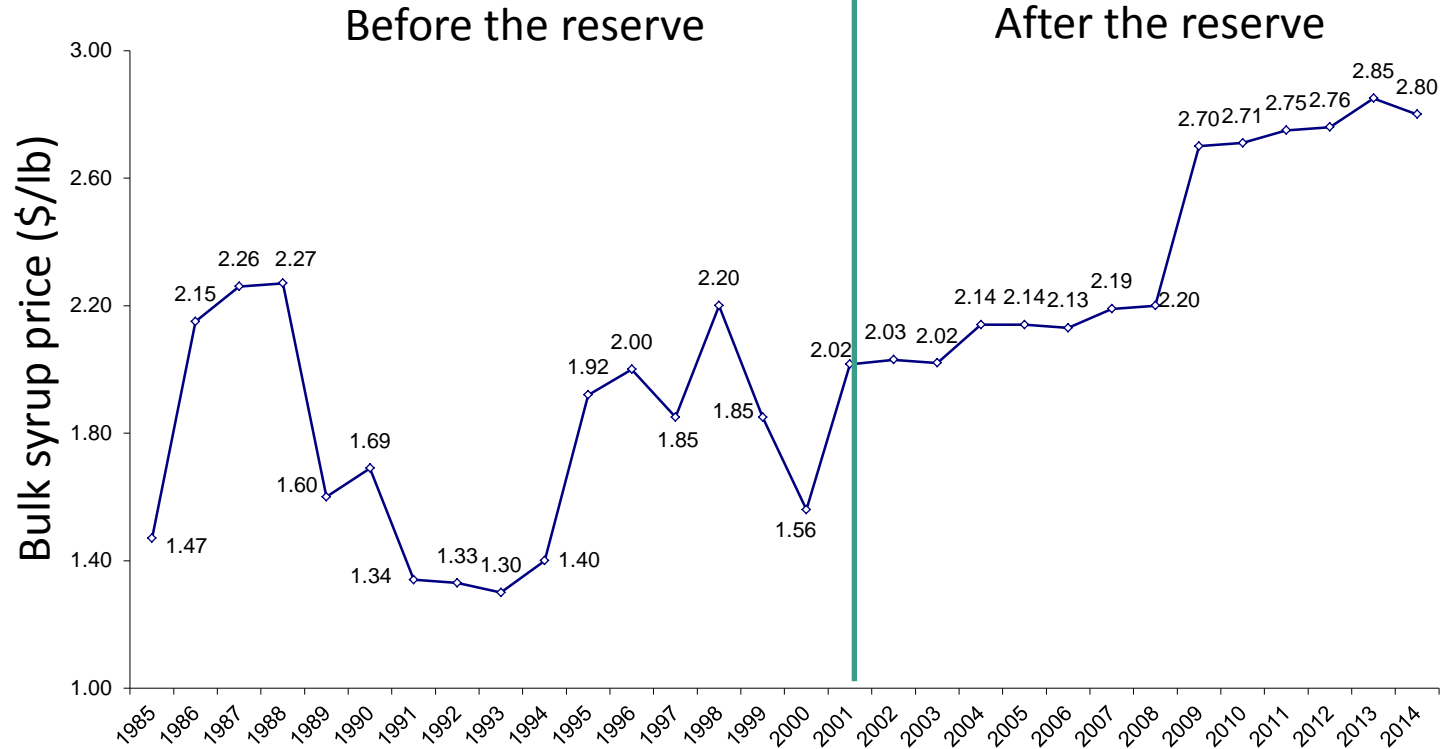
# Presentation outline

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# Great tools, great results

## Prices finally predictable





Great tools, great results

## Promotion

### Activities

- ◆ Public relations
- ◆ Event and athletic sponsorships
- ◆ Scientific research on maple
- ◆ Partnerships to develop new products

Great tools, great results

## Promotion

### Markets

- ◆ India since 2016
- ◆ United Kingdom since 2015
- ◆ Japan since 2005
- ◆ United States since 2005
- ◆ Quebec





Great tools, great results

## Promotion

### Health research since 2005

- ◆ Maple products provide essential vitamins and minerals
- ◆ Antioxidant capacity
- ◆ Maple and diabetes
- ◆ Maple water: a bioactive cocktail!
- ◆ Advantages of consuming 100% pure maple syrup compared to other sweetening agents
- ◆ Is maple syrup a better option than other sweeteners for controlling blood sugar levels?
- ◆ Could a pure maple syrup extract be tapped for better brain health?

Great tools, great results

## Promotion

### Market futures



### Exports

- 53 countries
  - Record 92.8 million pounds in 2015
  - Primary markets
    - United States: 64.0%
    - Germany: 8.5%
    - Japan: 6.5%
    - United Kingdom: 5.0%
    - Australia: 4.0%
    - Other: 12.0%
- (47 countries)





# Conclusion

- ◆ A booming industry for 25 years
- ◆ 5M taps added in 2016
- ◆ Stronger business ties among industry partners
- ◆ Global demand and booming export markets
- ◆ Many on-going projects
  - ◆ Environnement
  - ◆ Promotion
  - ◆ Production development
- ◆ Continuous improvement



Any questions?

**Thank you!**



[fpaq.ca](http://fpaq.ca)



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