

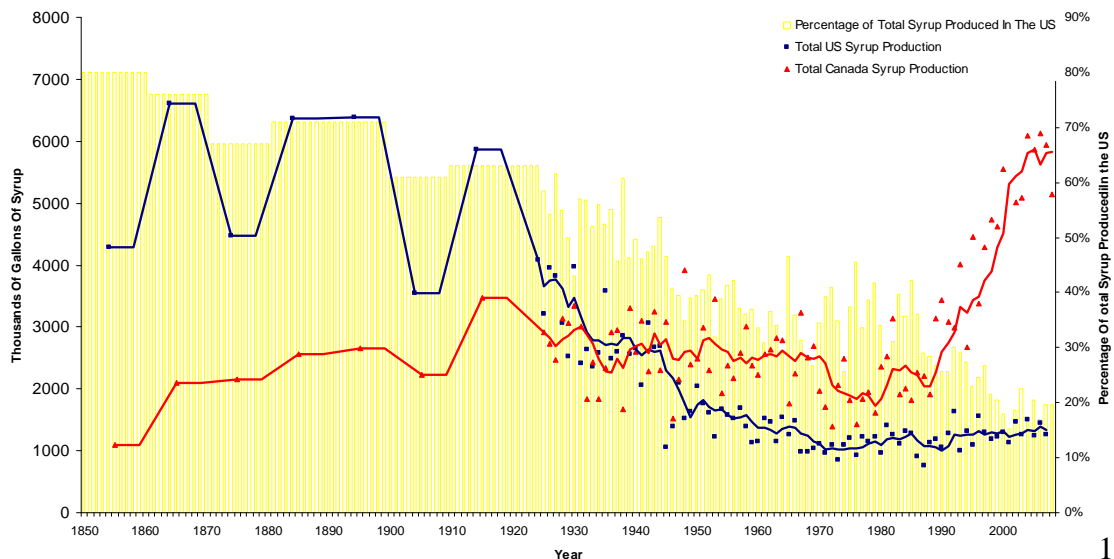
## ***Background Information and Justification for Reintroducing the Maple Tapping Access Program Act as part of the new Federal Stimulus Package***

### **Introduction**

Maple sugaring represents a traditional, economically important, and sustainable use of northeastern forests. Syrup production maintains ecosystem services, provides jobs for rural communities, and supports tourism directly and indirectly. Current worldwide demand for maple products is steadily rising with demand outpacing supply. With bulk syrup prices at an all time high, many sugarmakers are planning on expanding their production to fill the growing markets while other individuals are considering getting started. Including the Maple TAP Act in the federal stimulus package draws on its historically strong connection as farm-based enterprise. The economics of this high-value product, the size of the un-tapped resource, and its connection to consumer interest as a local food as well as growing export markets combine to make this as a very attractive investment. This document will supply some of the background information to understand where the industry currently stands and how it has gotten there, and then make the case for increased investment in the maple industry to capitalize on our vast underused resource.

### **The US maple industry could be large again**

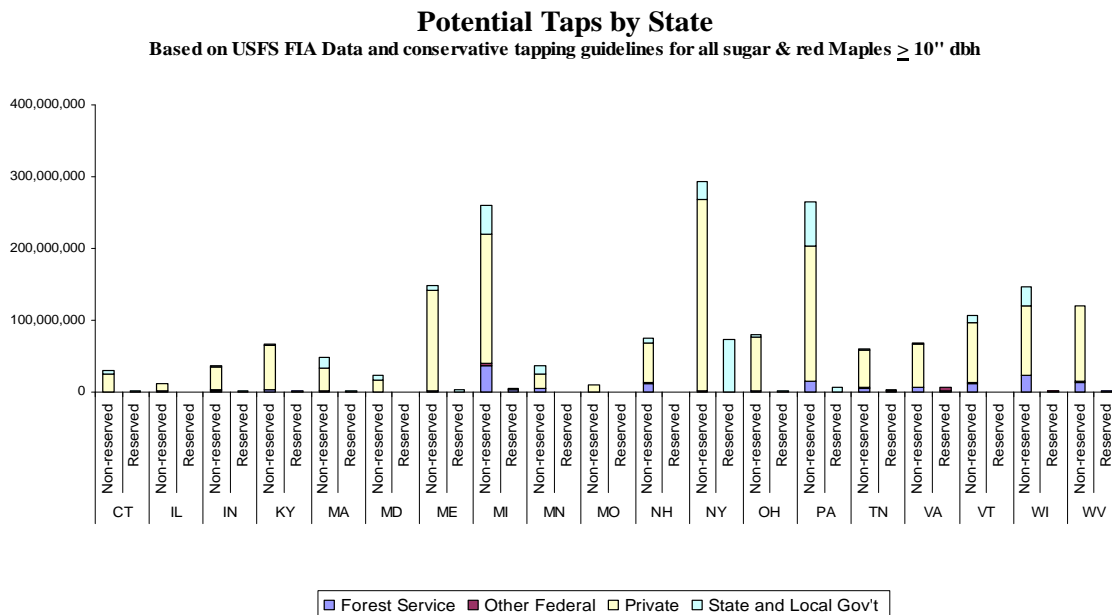
In order to understand the current status of the maple industry, it is important to understand where we have come from. The following graph shows maple syrup production in the US and Canada since 1850 and is based on data gathered from Statistics Canada and the USDA National Agricultural Statistics Service.



Maple syrup production has shifted greatly over the past century. Production in Canada has increased dramatically in recent years whereas the US has remained stagnant after a sharp decline in the early 1900s. The primary reasons behind the northward shift of syrup production into Canada seem to be economic, social, and political. Canada recognized the potential of this industry and made the necessary investments to support its growth. The US has made very little investment in its industry. Performance of the Quebec industry provides dramatic evidence of what could happen in the US with similar investments in encouraging more production.

### The US has a lot of maple trees

In order to determine the growth potential of the maple industry, it is important to first determine the full extent of the maple resource. The following graph shows the number of potential taps in all of the northeastern states where maples grow abundantly.

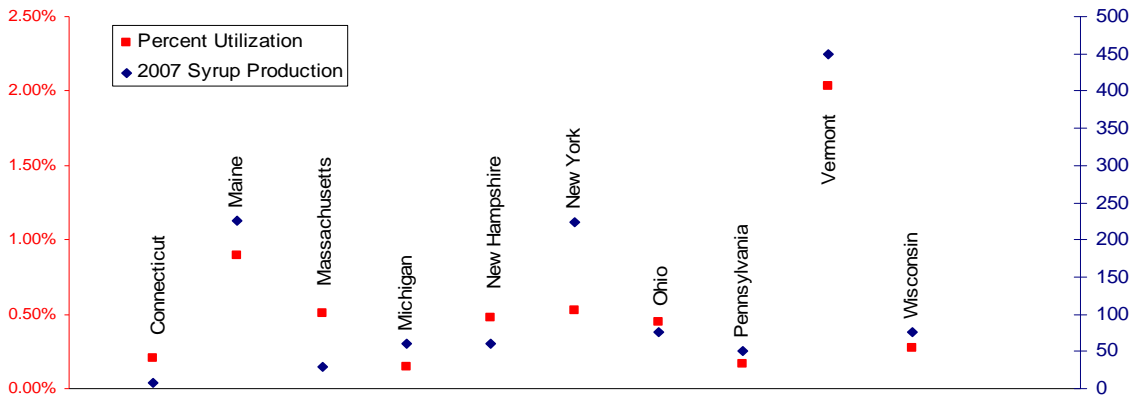


The preceding graph displays the total potential taps in the US by ownership category- Private, US Forest Service, Other Federal Land, State and Local Government. It is also divided between Reserved and Non-Reserved, as many of our forestlands are restricted from commercial tapping. These graphs were created with the most recent US Forest Service FIA (Forest Inventory & Analysis) data for each state. The number of potential taps were estimated by summing all of the sugar maple (*Acer saccharum*) and red maples

(*Acer rubrum*) greater than 10" dbh and applying conservative tapping guidelines- 1 tap for a 10-17" tree and 2 taps for trees 18" and greater. Since these data do not take into account density or accessibility factors, it overestimates the actual potential based on attributes of a viable sugarbush. We are conducting further analyses to account for the distance of the potential taps to roads as well as the basal area of maples in the FIA plots. While research on a refined estimate is in progress, it is clear that the US has a huge resource of potentially tappable maple trees. NY alone has more maple trees than Quebec, currently the largest producer of syrup, accounting for ~75% of worldwide production.

**The US has a very low current utilization of the resource for sugar production**

The following graph displays the percentage of all possible taps utilized for syrup production, based on 2007 National Agricultural Statistics Service reporting and FIA data for sugar and red maples.



Significant differences exist in the extent of maple syrup production throughout the United States (and Canada). Vermont clearly dominates the industry due to its relatively high utilization rate while states such as Michigan, New York and Pennsylvania have tremendous potential for expansion. Vermont's high rate reflects federal and state investments in that industry that are not occurring in other states. Preliminary analysis indicates a much greater utilization rate in Canada; especially Quebec where the rate is 35%. The Canadians have made specific investments and have a developed and implemented a long term strategy to earn their spot in the top of the maple industry- it is now up to the US to make the same type of investments to regain our market share.

## **The Maple Tapping Access Program Act could help grow the maple industry**

There are several factors that result in such large disparities in syrup production between states and provinces, such as government policies and resources devoted towards maple production, economic factors such as the US-Canadian exchange rate, land ownership patterns, social capital and demographics, and climatic variables. Taking Vermont and West Virginia as a prime example, the development (or lack thereof) of the maple industry in these states has largely been dictated by state and federal resources (as well as cultural differences). Even though West Virginia has more potential taps than Vermont, maple syrup production has never really caught on in the mountains of West Virginia whereas it is part of the very fabric of the Vermont lifestyle. Vermont did not always dominate the maple industry. It began its ascent to the top in the early-mid 1900s, as federal and state funds were invested in growing the Vermont maple industry. This is an indication of what similar investments could do for other states.

The two leading states, Vermont and NY, have substantial university based research and extension programs for the maple industry. These and other states could do more. Recently, Cornell University has been working with the NY State Maple Producers Association to develop a Next Generation Strategy to increase the number of producers and trees being tapped. The strategy involves supporting existing and new landowners to get involved with increased maple production. For the past several years, we have run well-attended beginner workshops to support new producers. We have conducted research and extension programs to educate current producers about the latest technologies in syrup production. The funding provided in the Maple TAP Act could be used for to support extension and outreach to landowners in order to better utilize their maple resource for syrup production.

If other states were given the same opportunities that Vermont and NY have had to develop their maple resource, the economic development potential would be staggering. Although there are nearly 2 billion potential taps throughout the US, we currently only tap ~7.5 million annually, which translates to a mediocre .38% utilization rate. If we were to increase the utilization rate across the US to that in Vermont (2.1%), the resulting 42 million trees being tapped would move us ahead of Canadian production.

Adding just 100,000 trees could increase maple product sales by \$1 million. Since we are currently importing 4 times as much maple syrup as we are producing in the US, we have an incredible opportunity to increase production and fill our own growing markets. Including the Maple TAP Act in the federal stimulus package is a good first step towards achieving this goal.

In addition to the broad support of maple producers throughout the US for increasing resources devoted to the maple industry, this document was prepared and is being endorsed by the following individuals:

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