

## **Syrup-Info Winter 2009**

### **EDITORIAL**

#### **We were ready for the 2009 harvest!**

What progress we've made in the last few years! After the implementation of marketing agreements, a sales agency, an Advance Payments Program with a line of credit, and production quotas, we now have access to crop insurance coverage! So finally, after many months of work, the Fédération des producteurs acéricoles du Québec (FPAQ) negotiated an insurance program with La Financière agricole du Québec (FADQ), which was available *just in time* for the 2009 harvest. The program provides compensation for declines in production due to unfavourable weather conditions.

In all, over 1,600 maple syrup producers took out insurance for 2009, which exceeded our expectations. The program is in its infancy and, like a good wine, will get better over time. For instance, the current maximum coverage is 80 per cent of a producer's insurable volume. However, as production histories are documented (over a longer period), the maximum coverage could be increased. Also, the program currently covers only bulk syrup and syrup sold in small containers to an intermediary. It does not cover on-farm sales directly to consumers. However, there is a possibility that these sales could be included in the future and the federation intends to work to achieve that.

Crop insurance is a new instrument in our collective toolkit. It is voluntary insurance, adapted to the level of coverage you want. With this new tool, we are pursuing our goal of "making a living from our production."

Also, we are in the process of concluding an agreement with La Financière agricole du Québec (FADQ) and a well known bank to provide a credit margin greater than the \$100 million previously granted by the FADQ. Combined with the FPAQ fund, this loan of nearly \$150 million will serve to maintain the Advance Payments Program that the vast majority of you use each year. It was necessary to increase this credit margin to cover increases in quota and rising syrup prices. This again demonstrates that the federation is developing tools adapted to the realities of maple syrup production. Some points still have to be finalized, including the FADQ's final commitment for the months ahead.

In conclusion, I should point out that in its Decision No. 9116 last December, the Régie des marchés agricoles et alimentaires du Québec (RMAAQ) approved a two-year marketing agreement. The floor prices were increased by 22 per cent to better reflect prices paid for the 2008 crop. This represents an average weighted price of \$2.71 per pound. Furthermore, given the current scarcity of syrup, buyers are paying premiums beyond the prices set out in the agreement.

With all these tools, we now have to produce enough good syrup in 2009 to supply the markets we have developed with the buyers and our governments over the past few years. Will Mother Nature be on our side? For southern Quebec, the answer seems to be yes. But we will have to

wait until later in May to obtain the total production figures for Quebec as a whole. I'm confident we will meet the needs of all our markets!

Serge Beaulieu

### **INCREASE IN MAPLE SYRUP QUOTAS**

For the second year in a row, several maple syrup producers, to respond to market demand, applied for a quota to install new taps, or replace the bucket collection system with a modern tubing system. This quota was granted.

It is important to note that the quota factor for all producers increased from 75 to 90 per cent last year, expanding production potential by 13 million pounds. This factor has remained the same for 2009, at 90 per cent.

Secondly, a portion of the growth allocation was assigned to the expansion of existing maple operations and modernization of the sap collection system (replacement of buckets or pails by a vacuum tubing system). The "distribution by strata" mechanism made it possible to satisfy the maximum number of projects. Indeed, 1,057 maple syrup farms received additional quota in this category, up to a limit of +/- 4,800 taps per operation.

In addition, a volume of 3 million pounds was allocated to increase the quota of operations whose initial quota did not represent their production potential. To obtain a quota increase, the applicants needed to have filled at least 95 per cent of their quota in 2 years since 2004. This allocation translated into the following increases for 2,065 farms:

| Initial quota                | Increase received /producer with insufficient quota |
|------------------------------|---|
| Less than 2.5 pounds per tap | + 0.30 pound per tap                                |
| 2.5 to 3.5 pounds per tap    | + 0.18 pound per tap                                |

These increases are in addition to last year's increases, when producers obtained a 7.6 per cent increase in their total quota for the "growth" component in 2008.

Finally, an amount was reserved for new producers. The FPAQ granted start-up quota to 214 operations. A random draw was not held because the number of applications received was less than the quota available for this category. Projects will be carried out on government lands with the collaboration of the Ministère des Ressources naturelles et de la Faune du Québec (MRNFQ).

In summary, the quota allocations in 2008, 2009 and 2010 will result in an almost 50 per cent increase in maple syrup quotas. The number of taps in Quebec will thus increase from 34 million to 41 million in 3 years and the total quota allocated will be 101.6 million pounds! Producers are therefore ready to meet the growing demand of developing markets.

## **AUTUMN TAPPING AND ORGANIC PRODUCTION**

For 2009, the Conseil des appellations réservées et des termes valorisants (CARTV), which is responsible for the supervision of organic certifications in Quebec, has amended the standard for over- and under-tapping. The amendment immediately prohibits autumn tapping in organic maple syrup production. Beginning in 2009, syrup produced in the autumn cannot be certified organic. In addition, producers who tap in autumn will jeopardize their certification. As usual, inspections will be conducted to ensure that applicable standards are respected.

*Source: Ecocert Canada, Newsletter #10, winter 2009*

## **SYRUP QUALITY TRAINING**

During the winter of 2008-2009, 13 training sessions were organized with the collaboration of the regional syndicates and agricultural training collectives. About 270 maple syrup producers benefited from the expertise of Andrée Gagnon, forest engineer, and Lise Lessard of Cintech AA, helping them to improve their syrup production and preservation methods. The main objective of this training, paid for by the FPAQ and free for the federation's maple syrup producers, was to increase knowledge of best practices in syrup production. If demand remains strong, this course will be offered next year. If you are interested, please contact your regional syndicate.

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