

Northern NY Agricultural Development Program 2008-2009 Project Report

Project Title: Increasing NNY Maple Production through Effective Producer/Landowner Collaborations

Project Leader(s): Brian F. Chabot, Professor, and Michael Farrell, Northern NY Maple Specialist, Cornell University

Collaborator(s): Extension educators: Amy Ivy (Clinton), Emily Selleck (Essex), Richard Gast (Franklin), Michele Ledoux (Lewis/Jefferson), Steve Vandermark (St.Lawrence)

Cooperating Producers: Many producers attended the workshops and engaged with landowners in order to gain access to additional trees for tapping. A partial list of these producers include Tony Corwin (Essex), Carol Gonyea (Essex), Jamie Rogers (Essex), Brad and Michael French (Essex), Michael Parker (Clinton), Evan Zehr (Lewis), Haskell Yancey (Lewis), Mark Burnham (Jefferson), Jim Mueller (Franklin), Joseph and Paul Schork (Franklin), Roger Hastings (Franklin).

Background: Maple syrup production is an important cultural and economic activity in NNY, both in terms of direct sales and as a stimulus to tourism. The demand for maple syrup is rapidly outpacing supply and prices are at record high levels. The bulk price for all grades of syrup is approximately 50% higher than just a few years ago. Maple producers are anxious to expand their production in order to fill the growing markets. However, the majority of large maple producers have already tapped all of the trees they own. Therefore, the primary ways to add taps are through purchasing more land, leasing trees from neighbors, or purchasing sap collected by a neighbor. Leasing and cooperative business arrangements are often the most practical and economical solution. Existing maple producers already have made the capital investment in facilities and equipment needed to produce high-quality syrup in a cost-effective manner. The variable costs of boiling additional sap are only a small fraction of the cost of the syrup produced. The fixed costs for starting a full operation require significant initial investment, which may make sense in some cases.

There is a vast resource of untapped trees in NNY as well as a wide variation in the utilization rates amongst the different counties (see table). Currently valued at \$3.25 million, the value could grow to over \$9 million annually if we were to increase the utilization rate for all of NNY to that of Vermont (2%). Note that these are also conservative figures based on the bulk price of \$3/lb. If we were to account for the additional value of selling syrup in retail containers, producing value-added maple confections, and the associated revenues generated through agri-tourism events such as Maple Weekend, the economic impact would be much greater.

Table 1. Current Production Figures and Potential Growth Based on Increasing the Utilization Rate to 2% for all NNY Counties (based on current average prices of \$3/lb)

County	Number of Potential Taps (2000 Census)	Actual Taps	Utilization Rate	Current Annual Revenue	Possible Annual Revenue
Clinton	5,146,949	91,618	1.78%	\$687,135	\$772,042
Essex	10,164,673	20,677	0.20%	\$155,078	\$1,524,701
Franklin	14,255,577	24,352	0.17%	\$182,640	\$2,138,337
Jefferson	3,862,308	12,528	0.32%	\$93,960	\$515,618
Lewis	12,215,797	186,977	1.53%	\$1,402,328	\$1,630,809
St. Lawrence	21,022,781	97,356	0.46%	\$730,170	\$2,806,541
Total				\$3,251,310	\$9,388,048

Clinton and Lewis counties already have a very strong maple heritage similar to that of Vermont. At 1.78% and 1.53%, respectively, their utilization rates are much higher than the other NNY counties and almost as high as the 2% rate achieved in Vermont. Our goal is to enhance the maple producing capacity of all of NNY counties in order to achieve the full economic development potential from our forests while maintaining the highest standards of environmental quality.

Outside the Forest Preserve lands, the vast majority of potential taps occur on privately owned forestland. Yet many forest owners, including NNY farmers, are unaware of the possibilities that exist for utilizing their maple trees. Maple syrup production is especially important during these tough economic times, as the stumpage price for maple sawlogs has fallen along with the housing market. Whereas using the forests for timber was once more profitable, landowners must now seek alternative sources of income as demand for wood products diminishes. Now that the exchange rate with Canada has equalized, there is no longer an economic advantage for US companies to purchase Canadian syrup, which opens a large market for NNY maple producers to fill. Finally, utilizing the forest for maple production through direct tapping or leasing to an existing producer may also qualify a landowner to receive agricultural assessment on that forestland, thereby significantly reducing their property tax burden. Educating landowners about these qualities and encouraging greater collaboration with existing producers is essential to expanding the NNY maple industry.

Methods: In September 2009 we surveyed 374 maple producers to acquire information on their desire to increase production via leasing additional trees or boiling additional sap that was brought to them by someone else. We also developed a brochure explaining the options to landowners for getting involved with maple production and announcing a series of seven workshops spread out over NNY in the month of October. We worked with Kara Dunn to develop several press releases and articles promoting the workshops. Michael Farrell then traveled to each of the six counties in October to deliver a presentation to landowners and maple producers. We collected survey responses from landowners and then analyzed them in November. We are also currently working on an interactive map containing information for all of the producers that wish to expand their operations.

Results: Overall the project was successful at educating landowners about the opportunities for getting involved with the maple industry, determining the perceived opportunities and barriers for landowners to getting involved, and developing a mechanism for connecting landowners who want to lease their forestland or sell sap with maple producers that want to expand. This section will discuss these three different aspects in detail.

Landowner Outreach Approximately 7,000 landowners in NNY received a brochure entitled “Getting Involved with Maple Syrup Production: Options for Landowners in NY”. There were also several press releases related to this project which generated at least 82 media hits through newspaper, magazines, radio, TV and websites. I received roughly 20 calls from landowners asking about the programs and how to get involved with maple production. As a testament to the importance of media coverage, the head forester for Rayonier happened to see an article in the newspaper about the project. Rayonier is a large landowner in the ADKs with tens of thousands of acres. Several of the company’s top executives visited the Uihlein Forest during a business meeting in September and have since decided to lease some of their lands to maple producers in Lewis and St. Lawrence counties.

Landowner Surveys At all of the workshops we asked the landowners who were not currently producing syrup to fill out a survey. We received 34 useable survey responses from landowners that generated interesting and useful results. A copy of the survey along with the results of all of the questions are contained in Appendix 1. The main highlights provided below.

We asked landowner what the primary obstacles to their involvement in maple production has been so far. The top response (55%) was that ‘the initial cost of buying equipment was too high’. Other significant responses included ‘I have never had enough time’ (35%), ‘I did not think I had enough tappable maple trees’ (35%), ‘I never thought about it as an option’ (32%), and ‘I wasn’t aware of agricultural assessment for maple production’ (29%).

We also asked what the primary reason(s) the landowners are now considering using their maples for syrup production. As a sign of the times of a depressed economy, the top result was ‘I am looking for supplemental income’ (52%). The next highest responses included ‘I would like to obtain an agricultural assessment for my land’ (35%) and ‘I have a better idea on how to get started’ (32%).

We also asked landowners how likely they are to produce maple syrup themselves, lease their forestland to a maple producer, or collect sap and have it boiled at a nearby sugarhouse. The responses indicated that landowners were generally interested more in direct involvement than leasing their maple trees.

54% of landowners indicated that they would be likely or very likely to produce syrup themselves after attending the workshop. For comparison purposes, only 29% of landowners indicated that they would be likely or very likely to collect sap to be boiled at a nearby sugarhouse whereas 22% would lease their forestland to another producer.

Landowner/Maple Producer Connections: From the letter and survey sent out to 374 maple producers in NNY we only received responses from 32 producers that were interested in expanding by leasing trees or buying in sap. This was disappointing, so we are advertising and explaining the project in greater detail during the winter maple schools this January. We will be handing out surveys to more producers at these meetings in order to gain a more comprehensive list of those that are interested in expansion. A final database and map will be developed and published in the coming months.

Conclusions/Outcomes/Impacts: Without doing follow up surveys next year, it will be difficult to quantify the impact that this project has had on increasing maple production in NNY. I did hear of several stories of landowners deciding to lease out their forestland to maple producers as a result of the outreach efforts, including Rayonier (a very large landowner) and several smaller landowners in Clinton and Essex counties. A lot of the work that was done this past year was planting the seeds for future development and growth. We learned that many landowners are not aware of the details regarding agricultural assessment for maple production; we also learned that they are very interested in using their maples for syrup production when they do find out about the tax benefits.

All of the survey data also indicate that landowners and producers working together will allow NNY to overcome the perceived hurdles to increasing production. For instance, the number one obstacle for getting started was that the initial cost of buying equipment is too high. However, one could just buy the necessary equipment to collect the sap and then have it boiled at a nearby sugarhouse where a producer has already made all of the investments in the building, evaporator, reverse osmosis, and other equipment necessary for producing syrup.

Outreach: At the time this report is being drafted, the project is still ongoing. Michael Farrell has presented results of this project at the NYS Maple Conference in Verona, NY on January 9 and is scheduled to present the results at the NNY Maple Schools taking place on January 23 (Lewis County), January 29 (Clinton County) and January 30 (St. Lawrence County). Brian Chabot will present this information at the maple school in Warren County on February 6.

Next steps if results suggest continued work is needed in the areas of research, demonstration and/or education: We will be posting the interactive map on a website linked from the NNYADP site and hosted on www.cornellmaple.com. When this website is ready, we will send out a press release that also includes success stories of landowners and producers becoming connected through this project. In the future, when CCE gets inquiries from landowners who are interested in leasing their trees or selling sap to an existing producer, this is where they will be referred to.

We are also expanding this project to the rest of NY over the next two years with funding from the NY Farm Viability Institute. In a related project, due to the resistance of many landowners in tapping their trees due to the perceived loss of sawtimber value, we are working on a Net Present Value calculator where landowners can utilize a spreadsheet to determine whether it makes sense for them to lease their trees for syrup or manage for sawtimber production based on the characteristics of their situation.

Acknowledgments: Cornell University and the New York Farm Viability Institute are providing the funding to continue this project in NNY and expand it to the rest of the state.

Reports and/or articles in which the results of this project have already been published.

Kara Dunn handled publicity for this project and kept track of media hits in the attached Appendix 2. This final report will be posted on www.cornellmaple.com and a press release will be developed that contains results of the project along with a link to the website with the map of producers interested in expansion.

Person(s) to contact for more information (including farmers who have participated):

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