



**New York State Maple Producers Association, Inc.**

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**Frequently Asked Questions (FAQs) on the  
Two cent per container assessment for NYS maple research and education**

***What will the assessment rate be in 2009?***

The proposal is to establish a new one cent assessment on all containers purchased in New York State in 2009 to fund NYS maple research, education, and promotion. In their responses to a recent survey, maple producers and equipment dealers suggested assessments ranging from 2 cents to up to 5 cents given the many needs that such a revenue stream could help to address.

***What if I wanted to contribute more than one cent?***

Any producer who wants to contribute another 1 cent (or more) to the NYS Maple Foundation can check off a box on their assessment form to do so. Donors will be able to designate how additional contributions are to be spent on their form – such as to Cornell Maple program and facilities, youth education and in-school programs, American Maple Museum, Maple Center at NYS Fair, general information initiatives, or an endowment fund.

***What products and containers will be included in the assessment?***

The proposal is that in 2009, the assessment would only apply to consumer packs of maple syrup. However, producers who purchase (or dealers who distribute) other kinds of consumer packs such as cream containers, mustard bottles, and jelly jars, could make a voluntary contribution to the Foundation using a supplemental section of the assessment form.

***What about bulk syrup?***

While the assessment would not apply to any bulk syrup at this point in time, it would still be appropriate for bulk producers to contribute \$.20/gallon. It is generally understood that more bulk syrup is imported into NYS than is exported. It is also assumed that all bulk syrup is subsequently packaged in NY-labeled consumer packs where the assessment will be collected.

***What matching funds can be expected to come from NYS Dept. of Ag & Markets in 2009?***

Discussions with top officials in the Dept. are on-going and have indicated that at least some level of match would be highly likely. It was the Dept. that first suggested that the maple industry explore establishing an assessment program. In its first year of partnering with the State in leveraging their industry-led assessment, the wine and grape industry's contributions to the non-profit Wine and Grape Foundation were matched 9:1 by the NYS Dept. of Ag and Markets.

***When would this new assessment go into effect?***

This will begin with the 2009 maple season as of Jan. 1, 2009.

***When would industry assessments be due, when would the Ag and Markets matching funds be received, and when would distributions be made?***

Assessments would be collected in May and December. Matching funds would be received in December. Distributions, made based upon an approved annual workplan, would take place throughout the year as needs arose and funds were available.

***How was this proposal generated?***

This fall, NYSMPA's Long-range Planning Committee was charged with crafting an equitable method to support maple research, education, and promotion to supplement, or perhaps someday replace, the grants and state budget line items of the past. The acting committee chair and the NYSMPA president reached out to about 80 maple equipment/supply dealers and large producer/packers to solicit their input and ideas for developing a consistent and reliable funding source. It was felt that because of these individuals' strong connections to the industry, their thoughts on designing the funding mechanism now and leading its implementation in the future are vital to its success.

***How would the assessment physically be collected?***

Maple equipment and supply dealers in NYS (and from other states selling to NYS maple producers) would be asked to collect the assessment on all consumer packs (syrup only) sold for packing in NYS. Individual producers would have a role in reminding their suppliers of the importance of collecting and submitting this assessment. Container manufacturers (such as Ball, Bacon, Les Cruchons/Ampak, Inc., and Sugarhill) would be responsible for collecting the assessment on all private-label consumer packs (syrup only) sold directly to producers or equipment dealers for packing in NYS, as well.

***How would the assessment be administered?***

The proposal is that the New York State Maple Foundation (NYSMF) would receive, administer and distribute funds generated from the assessment and other contributions. The revenues from the assessment would be used solely for research, education, and promotion projects in NYS and related project management. The board of the NYSMF will be responsible for establishing the specific mechanisms for collecting and tracking funds; and also for developing a detailed plan for fund disbursement. Presently, staffing to the Foundation is contributed by the NYS Maple Producers Association.

***What is the New York State Maple Foundation?***

The NYSMF is a private non-profit corporation organized in the State of NY. The mission of the NYSMF is to inform and educate the public in order to increase awareness and appreciation of the diversity and quality of the state's maple products, of how maple products were made in NYS historically, of how that process has changed over time, and the environmental sensitivity with which sugar bushes are managed and syrup is produced; and to support maple-related research. The NYSMF has an independent board of directors which is expected to be expanded to a total of seven members (one from each of the State's seven maple regions) during the NYSMF's annual meeting in Jan. 2009. The NYSMF is seeking recognition from the IRS as a 501(c)(3) non-profit organization; and as such, contributions to the Foundation may be tax-deductible to the extent allowed by law.

***What else is the industry doing that will raise funds to help support research, education, and promotion?***

- Profits from the sale of NYS branded barrels and highway and sugarhouse signs;
- Maple Weekend™-branded tea and coffee sales profits;
- Product sales at Maple Center during State Fair and at other events;
- Obtaining education-related project grants – such as for agri-tourism training, youth education, and others;
- Seeking corporate sponsorship of maple-related events.

***What about the current one cent that is collected by the North American Maple Syrup Council to fund competitive research grants?***

The North American Maple Syrup Council (NAMSC) currently works with container manufacturers and producers to collect a voluntary “penny per container” to fund maple research. This new NYS fund would be in addition to and separate from the NAMSC fund. Although in this proposal the two cents will be collected at the same time by the Foundation, and using the same mechanism to reduce administrative workload, the two funds would each be individually tracked and managed. Research funds received would be consolidated by the Foundation staff and forwarded to the NAMSC annually. There are several advantages to this approach – it makes it easier for dealers to participate in just one assessment program and it enables the Foundation to leverage all of the contributed dollars to generate additional matching funds from the NYS Dept. of Ag and Markets. The NYS maple industry is very supportive of the NAMSC and of its research effort. This change in how funds are collected is expected to yield additional dollars for NAMSC research, rather than jeopardizing the funding stream.

***How many consumer packs are bottled in NYS?***

If 100% of the 2008 reported crop of over 320,000 gallons was packed into an average of 10 containers/gallon, we would be looking at 3.2 million containers and revenues from the 2 cent total assessment of \$64,000. If this revenue was matched by Ag & Markets at a conservative 2:1 rate, the fund would be \$192,000.

***What are the projected total revenues – all sources and amounts?***

There is considerable value contributed annually by members of the maple industry in terms of the donated products/volunteer time (at Fairs and other events, at tours, serving on boards and committees). The NYSMF will develop and distribute a timesheet/expense report for tracking and valuing time, mileage, donated products, and other contributed expenses. Producers will be asked to complete and return to the Foundation quarterly. These contributions are expected to all be part of the matching fund calculation by the NYS Dept. of Ag & Markets. In 2007, the value of these industry contributions was estimated at about \$500,000.

Members of the wine and grape industry make other contributions to their Foundation besides the per-gallon assessment; and these total nearly as much as the assessment. Applying this model to the maple industry, we could easily generate another \$30,000 – 50,000, which when matched even dollar for dollar would create a fund of \$60,000 – 100,000.

***How will the assessment be communicated to maple producers and equipment dealers?***

Include notice and explanation of this in the Jan. ed. of *The Pipeline* and announce at Winter Maple Conference in Verona (and other regional association workshops as appropriate). Provide dealers with fact sheets to share with customers; and also produce and distribute assessment forms and instructions.

Messaging that appears to be effective: This is a true value-added program through which producers’ contributed dollars are leveraged to generate considerable matching funds. This assessment is needed so that in the long-term the industry isn’t always 100% reliant on state appropriations. The NYS Governor’s 2009-10 budget, released in December 2008, shows no funding for maple marketing and promotion; and funding for Cornell’s maple research and extension programs continues to decline. It’s time for the industry to start demonstrating a good faith effort to support itself. Ag & Markets, the legislature, and Cornell’s funders are more inclined to help fund programs where their dollars will be multiplied.

**Resolution of the NYSPMA Board of Directors**  
*introduced by the NSYMPA Long-range Planning Committee*

**WHEREAS** The NYSPMA represents its membership; and it is implied to be acting on behalf of all maple producers in NYS.

**WHEREAS** Past sources of funding for maple research, education, and promotion efforts in NYS, including NYS Dept of Ag & Markets and members of the NYS Assembly and Senate, as well as state's US congressional delegation, are now challenging the NYS maple industry to directly demonstrate their commitment to helping themselves.

**WHEREAS** The NYS Governor's 2009-10 budget, released in December 2008, shows no funding for maple marketing and promotion. The 2008-09 funding level was \$150,000. While there is a reasonable chance that the industry will see at least some of the previous year's funding restored in the 2009-10 budget, we cannot continue to rely on the same levels of support we have enjoyed in the past.

**WHEREAS** For a number of years, the NYS maple industry has struggled as a mid level (second or third place) producer and marketer of pure maple products. The state legislature, NYS Dept. of Ag and Markets, Cornell, private producers, and others have carried more than a fair share of this industry's research, education, and promotion load with extremely limited funding. Through the efforts of many producers, legislators, NYSPMA board members and staff, and others, the maple industry in NYS has finally been elevated to the amenities/commodity status it deserves.

**WHEREAS** The State's wine and grape industry has successfully implemented an industry-wide assessment since 1985 and received matching funds from the NYS Dept. of Ag & Markets ranging from 9:1 to 1:1. If established, a similar industry-led system for maple syrup would position NYS to be the lead among all maple-producing states and provinces; and clearly would enable NY to capture the attention of both consumers and our maple producing colleagues across the US and Canada.

**WHEREAS** The North American Maple Syrup Council (NAMSC) Research Fund is a non-profit, volunteer managed fund established in 1987 to generate seed money for universities and institutions that perform research benefiting the entire maple industry. Annually, the NAMSC Research Fund solicits, reviews, and selects research proposals that are of primary importance and concern to the maple industry. Funds are designated and distributed to qualified institutions in the U.S. and Canada for select research projects; and the results of their research efforts are published regularly in the *Maple Syrup Digest* and other maple industry publications.

**NOW BE IT RESOLVED** The State's maple producers need to respond to these challenges as a united and whole statewide industry. As such, a two cent assessment is hereby established on all consumer-pack syrup containers purchased in New York State and a \$.20/gallon assessment on all bulk syrup sold beginning on Jan. 1, 2009. The fund will include contributions from all maple producers bottling syrup in consumer packs in NYS or selling in bulk; and may be made through equipment dealers, container manufacturers, or other suppliers, as well as by individual producers. The new fund will be administered by the not-for-profit NYS Maple Foundation and with an expectation that the NYS Dept. of Ag and Markets will provide a match; and will function as a "donor designated fund". One cent of every two cents received by the Foundation from the container assessment, and \$.10 of every \$.20/gallon, will be forwarded to the NAMSC Research Fund annually. The remaining disbursements be used solely to support maple research, education, and promotion in New York State; and will be distributed based upon a workplan that will be reviewed annually by the board of the NYSPMA and approved by the NYSMF board.

*/s/ David Campbell*

Jan. 9, 2009

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David Campbell, President

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Date