



SALES COMMUNIQUÉ – UNPASTEURIZED SYRUP
July 2022

Date of Sale:
July 4, 2022

Terms and conditions for the acquisition of the maple syrup
in the Producteurs et productrices acéricoles du Québec's inventory

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1 BACKGROUND

In accordance with the provisions of Article 11.05 of the Maple Syrup Marketing Agreement for the marketing years 2020-2022 (the "Agreement") approved by the Régie des marchés agricoles et alimentaires du Québec (the "RMAAQ"), and after prior consultation with the Maple Industry Council (CIE), the Québec Maple Syrup Producers (QMSP) are making maple syrup available from its inventory under specific sales conditions.

This sales release announces the specific terms and conditions of sale (prices and conditions) of maple syrup from the QSMP inventory. In accordance with the provisions of Article 11 of the Agreement approved and arbitrated by the RMAAQ, the QSMP, during the current marketing year, must announce the selling prices of maple syrup from their inventory, which includes the current year's syrup.

2 OBJECTIVES

The objectives of the QSMP, which have modulated the terms offered in this sales release, are summarized as follows:

1. Rebalance the proportion of syrup volumes across the different categories and color classes;
2. Foam the sales of processing grade maple syrup;
3. Retain authorized buyers who contribute to the growth of Quebec maple syrup sales.

3 TERMS AND CONDITIONS FOR ACQUISITION OF MAPLE SYRUP FROM THE INVENTORY

For the period **July 4, 2022 through September 30, 2022**, QSMP shall offer for sale volumes of unpasteurized maple syrup available to them according to the lots described in summary in the following table:

Maple syrup is available in lots of 11 barrels or more (approximately 6,700 pounds) and no re-grading will be possible.

#	Type of pasteurized lot	Syrup Grade (Color)				Characteristics				Pounds	Comments
		DO	AM	FO	TF	VR1	VR4	VR2	VR5 et CT		
1	Regular light batch	23 %	67 %			10 %				1 600 000	Convention price + marketing fee 10¢
2	Organic light batch	27 %	63 %			10 %				480 000	Convention price + 10¢ marketing fee + 22¢ organic premium
3	Regular Dark batch			83 %	7 %	10 %				390 000	Convention price + marketing fee 10¢
4	Organic Dark batch			74 %	16 %	10 %				84 000	Convention price + 10¢ marketing fee + 22¢ organic premium
5	Regular Vr1 batch					100 %				230 000	Convention price + marketing fee 10¢
6	Organic Vr1 batch					100 %				82 000	Convention price + 10¢ marketing fee + 22¢ organic premium
7	Regular Vr4 batch						100 %			95 000	Convention price + marketing fee 10¢
8	Organic Vr4 batch						100 %			108 000	Convention price + 10¢ marketing fee + 22¢ organic premium
9	Regular Industrial								100 %	17 000	Convention price + 10¢ marketing fee - 55¢ discount
10	Organic Industrial								100 %	8 000	Convention price + 10¢ marketing fee - 55¢ discount + 22¢ organic premium
									Total	3 094 000	

Buyers will receive a monthly update (early July, August and September) on Fridays at the beginning of the month and will have until the following Wednesday to indicate their willingness to purchase 2022 unpasteurized syrup. They will have two weeks to start taking possession. The remaining volumes will be pasteurized in the following weeks.

Customized payment terms available

For eligible Authorized Buyers, payment terms for volumes purchased will be similar to the current year's syrup payment plus a marketing fee of \$0.10 per pound, the organic premium of \$0.22 and a discount of \$0.55 for industrial syrup as defined in the current Marketing Agreement.

3.1 Table Price

Table Price						
Grade	Weighting of Lot	Table price ¹	Grading fee ²	CIE Contribution ³	Marketing Fee ⁴	Selling price
		\$ CAN/lb				
G - Golden, Delicate Taste	75 % à 100 %	3.0000	0.0075	0.0025	0.1000	3.1100
AM - Amber, Rich Taste	50 % à 74,9 %	2.9600	0.0075	0.0025	0.1000	3.0700
D - Dark, Robust Taste	25 % à 49,9 %	2.8900	0.0075	0.0025	0.1000	3.0000
VD - Very Dark, Strong Taste	0 % à 24,9 %	2.5500	0.0075	0.0025	0.1000	2.6600
VR1 Defects ⁵	0 % à 100 %	Selon catégorie	0.0075	0.0025	0.1000	
VR4 Defects ⁵	0 % à 100 %	Selon catégorie	0.0075	0.0025	0.1000	

¹ Base price of syrup used to establish payment to producers

² Grading and quality control fees. Represents half of total fees; the other half is paid by producers.

³ Contributions to the Conseil de l'industrie de l'érable (CIE) which represents authorized buyers of bulk maple syrup in Québec.

⁴ Fees include handling, pasteurization and storage costs.

⁵ The credit is \$ 0.10 for VR1 and VR2 defects and \$0.25 for VR4 defects

⁶ Average selling price is approximate. It varies according to actual distribution of syrup grades in the lot purchased as well as the distribution of syrups with flavour defects (VR1 and VR4).

⁷ Selling price per barrel is based on a barrel containing 425 lbs of syrup.

3.2 Special Terms and Conditions

- ✓ Unpasteurized barrels must be picked up two weeks after signing the contract.
- ✓ The available volumes and the typical van will be adjusted monthly (beginning of July, August and September) according to the new available volumes and sent to the buyers every Friday at the beginning of the month following the receipt of the transfers and the grading results in Laurierville during the weeks of May to September 2022. Buyers will have two weeks to take possession.
- ✓ When your pick-up schedule is updated and communicated to the Sales Agency, it will be important to respect the date you committed to pick up the barrels, as the quantities of orders to be prepared require a lot of time and logistics in our warehouse.

- ✓ The lots offered are a mirror of the current classification. They therefore include syrups with Brix levels sometimes below 66.0. As provided for in the Marketing Agreement, the price of these barrels will be revised downward in accordance with the terms and conditions set out in section 4.03 e. If this is not convenient for you and you wish to receive only syrups with a minimum of 66.0 Brix, please notify us and we will adjust the lots accordingly
- ✓ We sometimes receive unfilled barrels from producers. This is why some of your shipments may contain unfilled barrels. However, in order to maximize the preservation of the quality of the syrups, we will never include barrels containing less than 80% of the weight of a full barrel.
- ✓ Given the volume of barrels that must be returned to our sites (Laurierville and Plessisville), we strongly encourage you to return the washed barrels as soon as possible to the sites where you took possession of the syrups. It is also possible to wash the barrels for you for a washing fee of \$12/barrel.
- ✓ The return of the barrels requires a lot of time and logistics and should be spread out as follows :
 - An additional 30% must be returned by October 15, 2022 (for a total of 30%)
 - An additional 35% must be returned by November 15, 2022 (for a total of 65%)
 - The remaining 35% must be returned by December 18, 2022 (for a total of 100 %)

Buyers who fail to meet these dates are subject to a penalty of **\$10 per late barrel**.

3.3 Industrial Syrup

Syrups from industrial batches may not be blended, directly or indirectly, with maple syrup for sale as maple syrup or maple substitutes. Industrial syrups may be used as an ingredient in food processing, in the manufacture of derivative products for human consumption and in the manufacture of derivative products for non-food uses (see Industrial Lot Sales Conditions for more details).

The processing grade (industrial) lots are available to authorized industrial syrup buyers and consist of VR5-CT5 (bud) and CT1 and CT4 defective syrups. The base price established for the Processing Grade (CT) maple syrup category, as set out in the 2022 Maple Syrup Marketing Agreement, is \$1.80/lb, plus organic premium (\$0.22), plus a \$0.10 marketing fee and with a \$0.55 discount.

An industrial lot is offered only to an authorized buyer or to a buyer who agrees to comply with the conditions mentioned below:

- a) represents and warrants that any industrial lot purchased will be properly reconditioned and processed in its facility(ies) and shall be used only for industrial purposes, i.e., as an ingredient in food processing, manufacturing of derivative products for human consumption and manufacturing of derivative products for non-food uses ;

- b)** represents and warrants that any industrial lot purchased will not be mixed, directly or indirectly, with maple syrup for sale as maple syrup or maple syrup substitute as defined in the Food Regulation (R.R.Q., c. P-29, r. 1), for sale to the consumer;
- c)** who irrevocably agrees, in the event of a request from the QSMP or the RMAAQ, to allow independent auditors mandated by it to verify the use and destination of the industrial lot sold and who agrees to cooperate unreservedly in such verification as provided for in Appendix E of the Agreement. In this perspective, the purchaser acknowledges and agrees to personally assume the entire process of reconditioning and transformation of the industrial batch until the final industrial use and to market it directly to the user of this ingredient or to the manufacturer of these derived products described in paragraph a) above;
- d)** represents and warrants that any industrial lot purchased will be reconditioned and processed for industrial purposes before **August 1, 2023** ;
- e)** If a purchaser wishes to purchase an industrial lot of syrups containing only syrups with low levels of invert sugars, i.e. less than 1.8% (glucometer reading of 5 mmol/litre or less according to the method developed by the ACER Centre - 10 ml dilution of syrup completed to 100 ml with potable water), a charge of \$0.03/litre will be applied to the price of the industrial lot of syrup Please note that the quantities of these low invert sugar lots are very limited and will be allocated based on inventory availability.

The costs of the audit provided for in paragraph (c) above shall be borne 50% by the QFAP and 50% by the purchasers.

4 ACQUISITION AND DELIVERY

The terms and conditions set out in this sales release apply up to and **including November 30, 2022**.

4.1 General Information

Please note that data on maple syrup inventory received and held by QFAPs may vary on a daily basis depending on current marketing year syrup receipts and firm purchase offers received.

QSMP does not guarantee, beyond the inventories or quantities specifically announced, if any, any order.

The maple syrup is available at the QSMP warehouse located in Laurierville.

4.2 Terms of Sale

The maple syrup will be available as follows :

Available syrup inventories will be updated monthly and sent to authorized buyers every Friday at the beginning of the month (July, August and September). The latter will have until the following Wednesday at 5:00 p.m. to indicate their willingness to purchase unpasteurized 2022 maple syrup and to offer to purchase, in the form of a firm, irrevocable and unconditional offer, maple syrup from the inventory by e-mail at the following address: QSMP.acheteurs@upa.qc.ca or by fax at 450 679-1827.

As specified in Section 11.03 (a) of the Maple Syrup Marketing Agreement, in cases where offers to purchase from Authorized Buyers for a category of maple syrup in the QFAP inventory are greater than the quantity of syrup in that category actually available, the latter shall be allocated and sold among all Authorized Buyers who have requested the purchase in proportion to their average purchase volume history over the past three years, up to the quantity that each has requested to purchase.

4.3 Barils

The provisions of the Agreement apply to barrels of unconditioned maple syrup for the 2022 marketing year, if any. In such a case, the purchaser must pay to QSMP, upon taking delivery of the maple syrup, **a refundable deposit of \$150 per barrel** to cover the replacement value of the barrels in the event of breakage rendering them unusable or severely damaged, as evidenced by proof. The deposit is to be made by means of a bank transfer deposited to the QSMP account or by the delivery of an irrevocable letter of credit in favour of QSMP, effective until March 31, 2022, to the full satisfaction of QSMP.

Buyer shall return, at its expense and in the condition in which it received them, such barrels to the warehouse from which they came no later than December 17, 2022. **These barrels must be clean and properly washed according to industry standards.** The purchaser will be required to pay QSMP the customary cost of (\$ 12 per barrel) for any barrel not properly washed. In addition, for any barrel that is not returned within the specified time (\$10 penalty per barrel late) and for any barrel that is seriously damaged by the purchaser, the purchaser shall pay QSMP the usual replacement cost of a new barrel of the same type and size.

4.4 Quality Control, Related Costs, and CIE Contributions

The fees related to the initial verification of the quality of the syrup (\$0.0075/lb.), rendered by a specialized company, will be added to the agreed upon prices in order to support the costs of this verification.

The contributions payable to the Conseil de l'industrie de l'érable (CIE), according to the "Règlement sur la contribution des acheteurs du produit visé par le Plan conjoint des producteurs acéricoles du Québec au Conseil de l'industrie de l'érable" (Regulation on the contribution of purchasers of the product covered by the Quebec Maple Syrup Producers' Joint Plan to the Conseil de l'industrie de l'érable), which are currently equal to \$0.0025/lb, will be added to the agreed prices.

4.5 Buyer Eligibility

All purchasers must comply with the provisions of the Agreement in order to benefit from these terms and conditions. In addition, any purchaser must sign an agreement to purchase maple syrup to the full satisfaction of QSMP.

The maple syrup is available to any purchaser who wishes to purchase it, with the exception of the following purchasers:

- a)** Buyers currently under investigation by QSMP for non-compliance with applicable regulations and the Agreement;
- b)** Purchasers for whom QSMP has reasonable grounds to believe that they are not in compliance with applicable regulations and the Agreement.

4.6 Terms of Payment and Taking Possession of Maple Syrup

For maple syrup volumes purchased, authorized purchasers who have provided a letter of guarantee or joint and several bond in their application for authorization are eligible for payment terms similar to the syrup payment for the year. Administratively, QFAP will treat the unpasteurized syrup purchased as an inventory order. Therefore, the syrup will be considered on consignment, with applicable charges. Once the syrup is invoiced for delivery, the buyer will be required to pay a **minimum of 30% of the barrels invoiced** and received on the 15th day of the following month. Cash buyers (type 2) will be required to pay for the merchandise prior to pick up at our warehouse.

Barrels still on consignment as of October 15, 2022 will be required to be paid for at least 20% on November 1, 2022, December 1, 2022, January 1, 2022, February 1, 2022 and, if applicable, the remaining portion on February 27, 2022. Note that the minimum purchase volume (30%) of the barrels invoiced is in addition to the minimum purchase volume related to the month's classifications, if any.

5 ADDITIONAL INFORMATION

For more information or if you have any questions about these terms and conditions, please contact our buyer services department at 1 855 679-7021, ext. 8470 or Mr. Guillaume Provost at 1 855 679-7021, ext. 8290.



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