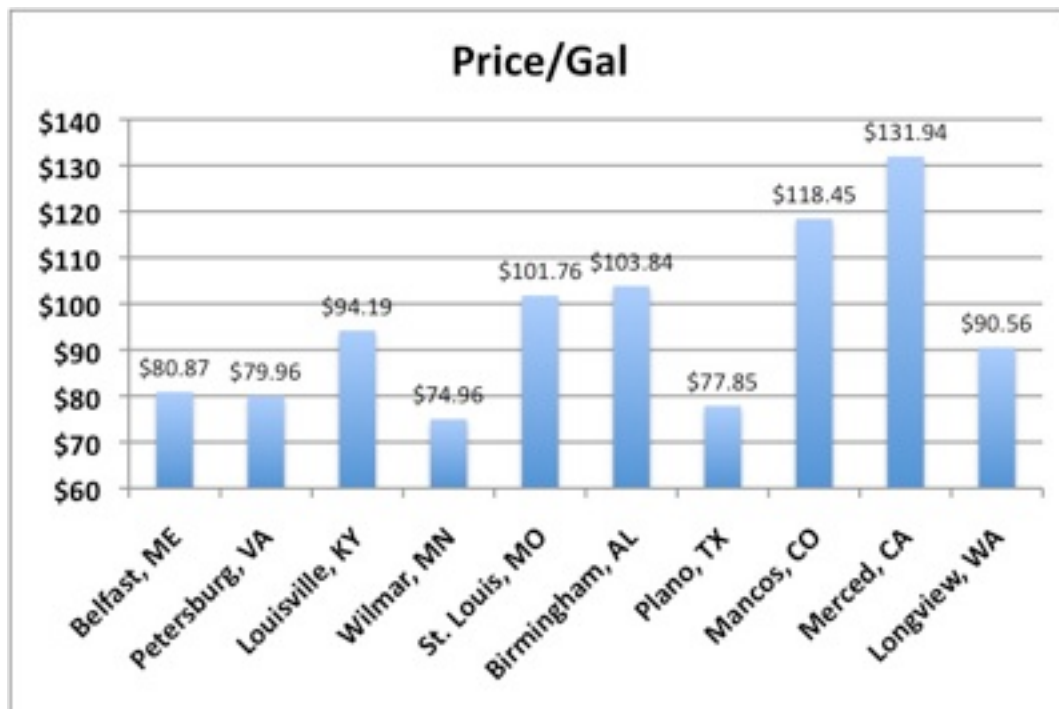


The Real Maple Syrup Prices

From FreshMapleSyrup.com

Retailers across the country have priced maple syrup higher than what government sources report. This year it became pretty clear that the maple syrup pricing reports don't square with what we see in stores, so we went out and collected our own data set. One key difference between this and what a group like the USDA might report: we called up clerks and stores and did price checks, rather than asking maple syrup producers what they sold and for what price. This demand-side data set will be more accurate in reflecting the retail situation, which in turn can help maple syrup producers make better decisions about whether they should be operating in the retail or wholesale markets.



[Average prices for maple syrup in various towns across the U.S.]

The upshot: retail prices for maple syrup are higher than we anticipated. The average location of more than 30 chosen randomly across the U.S. sold maple syrup for about \$96.50 per gallon. Of course, this was sold in smaller units, making the out-of-pocket cost seem more reasonable. The average unit size for the cheapest maple syrup

offered in the store was 18.8 ounces, which of course means that the average unit sold was smaller than that. We saw locally that – in the face of short supply – many retailers sold smaller units at higher prices, and this may have happened across the country as well. We will be able to see that in future years as we repeat this research to get year-to-year data. Several locations reported that they were out of half gallons and gallons of maple syrup that they once sold.

Probably the most notable unanticipated fact we found – aside from the high price of real maple syrup – was the high price of fake maple syrup. The average price for fake maple syrup was \$26.13 per gallon, sold almost always in a 12-ounce container. The range of fake maple syrup prices was even greater than that of the real maple syrup. The cheapest fake maple syrup (I shudder to think of it) cost \$5.19 per gallon. The most expensive: \$35.73. When maple syrup packers complain to maple syrup producers about how the market cannot sustain prices above \$4 per pound, remind them of that last number. Perhaps suggest that they go into the corn syrup business. I'm sure there's a heck of a profit margin in that.



[Merced, CA - home of the very urgent syrup eaters]

Real maple syrup ranged from \$74.96 in Willmar, Minnesota to the ludicrously high price of \$131.94 in Merced, California. I should note that in each of these randomly chosen towns I called at least three

different grocery stores and got at least two data points for each town. Interestingly, prices tended to keep to a much more narrow range within a town versus between stores in different towns. This suggests that there are significant regional effects on price, such as distance from producers, cultural use of maple syrup and local cost of living. I've put together some charts to explore those.



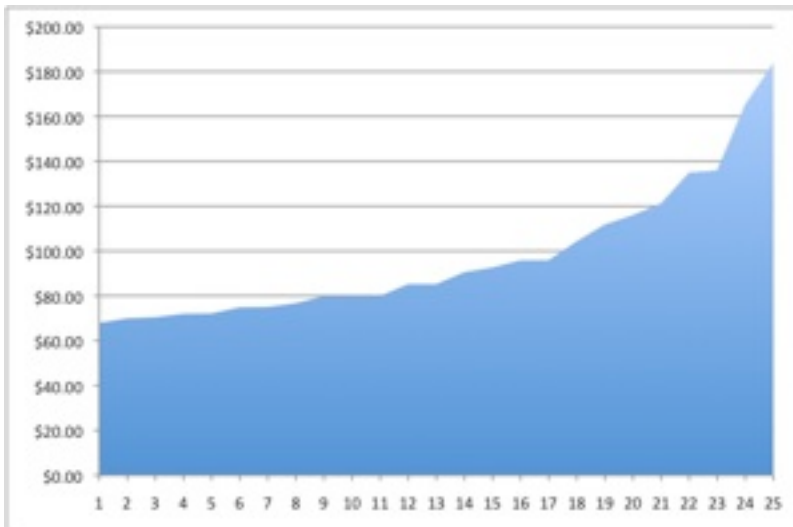
[Willmar, MN - looks like each home has its own maple tree]

Out of 30+ stores, six reported that they either didn't sell real maple syrup or that they were out of it. I was pleasantly surprised to see that only two clerks showed some confusion about there being a difference between real maple syrup and fake maple syrup. The nation's epicenter for not selling real maple syrup is Petersburg, Virginia. Three stores of five queried didn't sell it. The one chain that did sell maple syrup (Ukrops) charged only \$79.96 per gallon. Ukrops is a relatively high-end local chain that is well known for its prepared foods. That Ukrops charges about 15 percent below the national average for retail maple syrup prices and its competitors don't sell maple syrup at all suggests that there might just be something wrong with the people who come from the greater Richmond area. Just saying.

Very unexpectedly, the cost of living differences between the towns seemed to have no discernable effect on maple syrup price. In other

words, rich towns didn't seem to charge on average higher prices than those seen in poorer towns. It appears as though the setting of maple syrup prices is based on very tough to predict market factors, such as the number of distributors and middle men in the distribution chain, and that market demand forces don't seem to exert much of a controlling influence on this. The towns selected ranged in cost of living adjustment factors of 85 percent to 106 percent, averaging at 95 percent. This lower than 100 average is due to the fact that no major coastal cities were included in the data set.

When looking at the distribution of prices, as in the chart below, it seems as though there is a relatively thin floor in pricing extending between \$75 per gallon and \$90 per gallon of maple syrup. This suggests that the cheaper prices sold "retail" directly by maple syrup producers are the anomalies in the market. This is very likely the explanation as to why government data is not reflective of reality for the general consumer. In maple syrup-producing regions, which account for a very small percent of the U.S. population, people may be able to purchase syrup for \$48 a gallon, as they can here at a local maple syrup farm in Thetford. But that same maple syrup producer can sell the same gallon for quite a bit higher elsewhere.



[Data set of 25 prices per gallon of maple syrup]

The distance from the major maple syrup producing state – Vermont –

and the town in question does appear to have an influence on price. The further away from Vermont, not surprisingly, the higher the price of maple syrup, with some exceptions. The bar chart of the prices in the different towns (top chart) is organized by distance from Thetford, VT. The trend to higher maple syrup prices the further away you get is pretty obvious. This may be explained almost entirely by shipping costs. Most methods of moving maple syrup from one coast to the other cost about \$20 per gallon.

It should be noted that all of these calls were made in February 2009, just prior to the new production season. This is the time of the lowest inventories of maple syrup and the time least likely to confuse the influences of two different maple syrup seasons in the market.

As with all data-oriented research studies, some of the most interesting stuff came out of the “verbatim,” or things said on the phone by the folks answering the questions. These aren’t necessarily representative, but it’s interesting to see these ideas floating out there, affecting in a very real way the maple syrup purchase decisions of people calling up a store to ask about a product:

-

“All the grades taste the same, but the colors are different”

-

“This actually isn’t that expensive for this product”

-

“The Maple Grove brand must be better than this other one, because the other one is the store’s brand.”

-

“There’s a generic brand, but you probably don’t want that.”

-

“I can’t stand the fake stuff.”

-

“We use honey or karo”

-

“There used to be a lot more sizes”

-

“Oh my god”

Published: March 5, 2009

Filed Under: Bulk Maple Syrup, Maple Syrup Pricing, Marketing Maple Syrup, Research on Maple Syrup, Wholesale Maple Syrup