



Fédération des producteurs acéricoles du Québec

Federation of Quebec Maple Syrup Producers

SALES COMMUNIQUÉ – July 2016

Terms for release of maple syrup from inventory, including syrup from the current harvest,
held by the Federation of Quebec Maple Syrup Producers

DATE OF SALE : June 15, 2016

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CONTEXT

In compliance with the provisions of Article 10 of the *Convention de mise en marché du sirop d'érable pour les années de commercialisation 2015 et 2016* [Marketing Agreement for Maple Syrup for the 2015 and 2016 Marketing Years] (the "Agreement") approved and negotiated by the Régie des marchés agricoles et alimentaires du Québec [Board for Agricultural and Food Markets of Quebec] (the "RMAAQ"), the Federation must announce the sales price of the maple syrup in its inventory during the marketing year, which includes the syrup for the present year.

Furthermore, in compliance with the provisions of Article 4.05 of the Agreement, the Federation shall announce to the buyers the terms of sale of maple syrup for industrial use that it shall make available.

This sales communiqué explains the terms of sale (price and conditions) for maple syrup held in inventory by the Federation, in compliance with the provisions of the Agreement.

OBJECTIVES

The objectives of the Federation which has regulated the conditions set out in this communiqué can be summarized as follows:

1. Boost the volume of syrup sold from the Federation's inventory;
2. Rebalance syrup proportions across different colour classes;
3. Retain the loyalty of authorized buyers who contribute to Quebec maple syrup sales growth.

1. TERMS FOR RELEASE OF MAPLE SYRUP FROM INVENTORY

For the period between July 1, 2016, and November 30, 2016, the Federation is selling its stocks of maple syrup according to five (5) lots, as described briefly in the following table:

#	Type de lot	Quantités requises	Catégories de sirop (couleur)					Types de défaut	
			AA	A	B	C	D	Vr1 et Vr4	VR5 et NC
1	Lot régulier pasteurisé*	11 barils (6 700 lb) et plus par commande	2%	6%	41%	21%	18%	12%	0%
2	Lot régulier "foncé" pasteurisé	11 barils (6 700 lb) et plus par commande	0%	0%	29% (< 50 % lumière seul.)	17%	36%	18%	0%
3	Lot régulier "petits acheteurs" pasteurisé	10 barils (6 100 lb) et moins par année	Au choix						0%
4	Lot industriel (régulier ou biologique) pasteurisé	Aucune contrainte	0%	0%	0%	0%	0%	0%	100%
5	Lot régulier ou biologique non-pasteurisé	11 barils (6 700 lb) et plus par commande	Prédéfinis (site #1) ou selon réception des producteurs (site #2)						0%

* sujet à réajustement aux 1^{er} septembre 2017

1.1. Regular lot: Pasteurized regular AA, A, B, C and D syrup from the marketing years 2009 to 2016

In view of the low volume of transfers received at the time of this communiqué, and to ensure we maintain balance in colour classes offered in the future, the total volume offered as part of the regular lot will be limited to **1,000,000 lb.** until August 31, 2016.

Regular lot colour class balances will be readjusted on September 1, 2016 and the volume offered will be significantly increased to avoid restricting access to inventory syrup.

The maple syrup is available in a lot of 11 barrels or more (about 6,700 pounds).

Lot régulier pasteurisé													
Catégorie	Pondération du lot	Transmission de la lumière	Prix de la grille ¹	Frais de classement ²	Contributions CIE ³	Frais de mise en marché ⁴	Crédit défaut VR1 et VR4 ⁵	Prix de vente	Prix de vente approximatif pondéré ⁷				
									\$/livre	\$/gallon imp.	\$/gallons US	\$/litre	\$/baril ⁸
AA - extra clair	2%	75% à 100%	2,9500	0,0075	0,0050	0,2500	-	3,2125	3,0267	40,10	33,41	8,82	1 861
A - clair	6%	60,5% à 74,9%	2,9500	0,0075	0,0050	0,2500	-	3,2125					
B - médium	41%	44% à 60,4%	2,9300	0,0075	0,0050	0,2500	-	3,1925					
C - ambré	21%	27% à 43,9%	2,8200	0,0075	0,0050	0,2500	-	3,0825					
D - foncé	18%	0% à 26,9%	2,5500	0,0075	0,0050	0,2500	-	2,8125					
Défauts VR1-VR4 ⁶	12%	0% à 100%	Selon catégorie	0,0075	0,0050	0,2500	Selon défaut	2,5600					

100%

Tous les prix sont F.O.B. (Ex Works) - entrepôt de Laurierville (Québec)

¹ Prix de base du sirop servant à établir le paiement aux producteurs

² Frais de classement et de vérification de la qualité. Représente la moitié des frais totaux, l'autre partie étant payés par les producteurs

³ Contributions payable au Conseil de l'industrie de l'érable (CIE) qui représente les acheteurs autorisés de sirop d'érable en vrac au Québec

⁴ Frais incluant les coûts de manutention, de pasteurisation, d'entreposage et le prix du baril de métal à usage unique de 45 gallons imp. (55 gallons US)

⁵ Le crédit s'établit à 0,10\$ pour les défauts de type VR1 et 0,15\$ pour les défauts de type VR4

⁶ Les sirops avec défauts de type VR1 (bois, sève, brûlé, caramélisé) et VR4 (non-identifié) sont répartis principalement dans la catégorie D - foncé (7 %) et C - ambré (4%). Cette proportion peut différer légèrement d'un lot à l'autre

⁷ Le prix de vente moyen est approximatif. Il varie selon la répartition réelle des catégories de sirop du lot vendu ainsi que la répartition des sirops avec défauts de saveurs (VR1 et VR4).

Pour les fins de calcul, nous avons assumé que la totalité des sirop avec défauts de saveur étaient répartis également dans les catégories C - ambré et D - foncé avec 50 % de défauts de type VR1 et 50 % de défaut de type VR4

⁸ Le prix de vente par barils est basé sur un baril contenant 615 lb de sirop.

An authorized buyer who has, in this marketing year, exceeded the average of his/her syrup purchases for the three (3) preceding marketing years shall benefit from a price reduction of \$0.10 per pound. If applicable, this reduction will also apply to the portion of syrup purchased under this price tier (regular lot dark syrup) that exceeds the average of the quantity purchased over the last three (3) years. This price reduction will be applied by the "Federation" at the end of the marketing year, March 31, 2017.

For other terms and conditions of sale related to the purchase of inventory syrup, please refer to section 2 of this communiqué.

1.2. Regular lot dark syrup: Pasteurized B (<50% light), C and D syrup from the marketing years 2009 to 2016

The volume offered as part of this lot is limited to **12,000,000 lb.**

The maple syrup is available in a lot of 11 barrels or more (about 6,700 pounds).

Lot régulier "foncé" pasteurisé

Catégorie	Pondération du lot	Transmission de la lumière	Prix de la grille ¹	Frais de classement ²	Contributions CIE ³	Frais de mise en marché ⁴	Crédit défaut VR1 et VR4 ⁵	Prix de vente	Prix de vente approximatif pondéré ⁷				
									\$/CAN/livre	\$/CAN/gallon imp.	\$/CAN/gallons US	\$/CAN/litre	\$/CAN / baril ⁸
B - médium (< 50 %)	29%	44% à 50%	2,9300	0,0075	0,0050	0,2500	-	3,1925	2,9110	38,57	32,13	8,48	1 790
C - ambré	17%	27% à 43,9%	2,8200	0,0075	0,0050	0,2500	-	3,0825					
D - foncé	36%	0% à 26,9%	2,5500	0,0075	0,0050	0,2500	-	2,8125					
Défauts VR1-VR4 ⁶	18%	0% à 100 %	Selon catégorie	0,0075	0,0050	0,2500	Selon défaut	2,4925					

100%

Tous les prix sont F.O.B. (Ex Works) - entrepôt de Laurierville (Québec)

¹ Prix de base du sirop servant à établir le paiement aux producteurs

² Frais de classement et de vérification de la qualité. Représente la moitié des frais totaux, l'autre partie étant payés par les producteurs

³ Contributions payable au Conseil de l'industrie de l'érable (CIE) qui représente les acheteurs autorisés de sirop d'érable en vrac au Québec

⁴ Frais incluant les coûts de manutention, de pasteurisation, d'entreposage et le prix du baril de métal à usage unique de 45 gallons imp. (55 gallons US)

⁵ Le crédit s'établit à 0,10\$ pour les défauts de type VR1 et 0,15\$ pour les défauts de type VR4

⁶ Les sirops avec défauts de type VR1 (bois, sève, brulé, caramélisé) et VR4 (non-identifié) sont répartis principalement dans la catégorie "D" (14 %) et "C" (3%). Cette proportion peut différer légèrement d'un lot à l'autre

⁷ Le prix de vente moyen est approximatif. Il varie selon la répartition réel des catégories de sirop du lot vendu ainsi que la répartition des sirops avec défauts de saveurs (VR1 et VR4).

Pour les fins de calcul, nous avons assumé que la totalité des sirop avec défauts de saveur étaient répartis à 75 % dans la catégories D - foncé et 25% dans la catégorie C - ambré, avec 50 % de défauts de type VR1 et 50 % de défaut de type VR4

⁸ Le prix de vente par barils est basé sur un baril contenant 615 lb de sirop.

An authorized buyer who has, in this marketing year, exceeded the average of his/her syrup purchases for the three (3) preceding marketing years shall benefit from a price reduction of \$0.10 per pound. If applicable, this reduction will also apply to the portion of syrup purchased under this price tier (regular lot dark syrup) that exceeds the average of the quantity purchased over the last three (3) years. This price reduction will be applied by the "Federation" at the end of the marketing year, March 31, 2017.

For other terms and conditions of sale related to the purchase of inventory syrup, please refer to section 2 of this communiqué.

1.3. Small buyer lot: Pasteurized regular AA, A, B, C and D syrup from the marketing years 2010 to 2016

The maple syrup is available by the barrel (\pm 615 lb.).

Buyers are able to choose the syrup grade for each of the barrels they want to buy, up to a maximum of 10 barrels per year.

The total volume offered as part of this lot is limited to 250 barrels (154,000 lb.).

Lot petit acheteur pasteurisé

Catégorie	Transmission de la lumière	Prix de la grille ¹	Frais de classement ²	Contributions CIE ³	Frais de mise en marché ⁴	Prix de vente (défauts VR1 et VR4) seul. ⁵	Prime sans défaut (VR)	Prix de vente (sans défaut VR)				
								\$CAN/livre	\$CAN/livre	\$CAN/gallon imp.	\$CAN/gallons US	\$CAN/litre
AA - extra clair	75% à 100%	2,9500	0,0075	0,0050	0,2500	3,2125	0,1500	3,3625	44,5531	37,11	9,80	2 067,94
A - clair	60,5% à 74,9%	2,9500	0,0075	0,0050	0,2500	3,2125	0,1500	3,3625	44,5531	37,11	9,80	2 067,94
B - médium	44% à 60,4%	2,9300	0,0075	0,0050	0,2500	3,1925	0,1500	3,3425	44,2881	36,89	9,74	2 055,64
C - ambré	27% à 43,9%	2,8200	0,0075	0,0050	0,2500	3,0825	0,1500	3,2325	42,8306	35,68	9,42	1 987,99
D - foncé	0% à 26,9%	2,5500	0,0075	0,0050	0,2500	2,8125	0,1500	2,9625	39,2531	32,70	8,63	1 821,94

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² Frais de classement et de vérification de la qualité. Représente la moitié des frais totaux, l'autre partie étant payés par les producteurs

³ Contributions payable au Conseil de l'industrie de l'érable (CIE) qui représente les acheteurs autorisés de sirop d'érable en vrac au Québec

⁴ Frais incluant les coûts de manutention, de pasteurisation, d'entreposage et le prix du baril de métal à usage unique de 45 gallons imp. (55 gallons US)

⁵ Prix de vente seulement pour les sirops avec défauts de type VR1 (bois, sève, brûlé, caramélisé) et VR4 (non-identifié)

⁶ Le prix de vente par barils est basé sur un baril contenant 615 lb de sirop.

An authorized buyer who has, in this marketing year, exceeded the average of his/her syrup purchases for the three (3) preceding marketing years shall benefit from a price reduction of \$0.10 per pound. If applicable, this reduction will also apply to the portion of syrup purchased under this price tier (regular lot dark syrup) that exceeds the average of the quantity purchased over the last three (3) years. This price reduction will be applied by the "Federation" at the end of the marketing year, March 31, 2017.

For other terms and conditions of sale related to the purchase of inventory syrup, please refer to section 2 of this communiqué.

1.4. Industrial lot: Pasteurized regular or organic AA, A, B, C and D syrup of industrial grade (processing) from the marketing years 2010 to 2016

Lots of industrial syrup are mainly composed of syrup with VR5-NC5 (buddy) flavour defects and occasionally with syrups with NC1 and NC4 flavour defects.

Syrups from industrial lots cannot be mixed, directly or indirectly, with maple syrup that is to be sold as maple syrup or maple product substitutes. Industrial syrups can be used as an added ingredient in food processing, in the manufacture of products for human consumption and in the manufacture of derived products intended for purposes other than foodstuffs (see conditions of sale related to industrial lots for more detail).

There is no specific minimum or maximum volume of syrup made available from the industrial lot.

Buyers can choose VR5-NC5 "pale" industrial syrups, consisting of AA, A and B grade syrups, as well as "dark" industrial syrups, consisting of C and D grade syrups. Specific lots of industrial syrup with NC1 and NC4 flavour defects are also available on request.

Lot industriel régulier ou biologique pasteurisé

Catégorie	Transmission de la lumière	Prix de la grille ¹	Frais de classement ²	Contributions CIE ³	Frais de mise en marché ⁴	Escompte mise en marché	Prime biologique	Prix de vente				
								\$/CAN/livre				
VR5-NC5 régulier	0% à 100%	1,8000	0,0075	0,0050	0,2500	(0,1500)	-	1,9125	25,34	21,11	5,57	1 176
NC1-NC4 régulier	0% à 100%	1,8000	0,0075	0,0050	0,2500	(0,1500)	-	1,9125	25,34	21,11	5,57	1 176
VR5-NC5 biologique	0% à 100%	1,8000	0,0075	0,0050	0,2500	(0,1500)	0,1750	2,0875	27,66	23,04	6,08	1 284
NC1-NC4 biologique	0% à 100%	1,8000	0,0075	0,0050	0,2500	(0,1500)	0,1750	2,0875	27,66	23,04	6,08	1 284

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¹ Prix de base du sirop servant à établir le paiement aux producteurs

² Frais de classement et de vérification de la qualité. Représente la moitié des frais totaux, l'autre partie étant payés par les producteurs

³ Contributions payable au Conseil de l'industrie de l'érable (CIE) qui représente les acheteurs autorisés de sirop d'érable en vrac au Québec

⁴ Frais incluant les coûts de manutention, de pasteurisation, d'entreposage et le prix du baril de métal à usage unique de 45 gallons imp. (55 gallons US)

⁵ Le prix de vente par barils est basé sur un baril contenant 615 lb de sirop.

An industrial lot is only available to an authorized buyer or a buyer who commits to respecting the conditions specified below:

- a) who represents and guarantees that the entire industrial lot purchased will be appropriately repasteurized and processed in its facility(ies) and shall only be used for industrial purposes, namely, as an added ingredient in food processing, in the manufacture of products for human consumption and in the manufacture of products intended for uses other than as foodstuffs;
- b) who represents and guarantees that any purchased industrial lot shall not be mixed, directly or indirectly, with any maple syrup in order to be sold as maple syrup or as a maple syrup substitute as defined in the Règlement sur les aliments [Food Regulations] (R.R.Q., c. P-29, r. 1) for sale to the consumer;
- c) who irrevocably accepts, upon request from the Federation or the RMAAQ, to allow independent auditors sent by it to verify the use and purpose of the industrial lot sold and who agrees, without conditions, to such an audit as specified in Appendix E of the Agreement. In this context, the buyer acknowledges and agrees to personally undertake the entire process of repasteurizing and processing the industrial lot until the end industrial use, and to sell it directly to the user of this ingredient or to the manufacturer of these products described in paragraph a) above;
- d) who represents and guarantees that any industrial lot purchased will be repasteurized and processed for industrial purposes before August 1, 2017.
- e) if a buyer wants to have an industrial lot with an invert sugar level of less than 1.8% (glucometer reading of 5 mmol/litre or less according to the method developed by the Centre ACER defined at 10 ml of syrup diluted to 100 ml with potable water), an additional charge of \$0.03/pound will be applied to the industrial lot syrup price. Note that quantities of these low-invert-sugar lots are very limited and will be allocated based on availability in inventory.

The costs of the audit described in paragraph c) above shall be assumed 50% by the Federation and 50% by the buyers.

An authorized buyer who has, in this marketing year, exceeded the average of his/her syrup purchases for the three (3) preceding marketing years shall benefit from a price reduction of \$0.10 per pound. If applicable, this reduction will also apply to the portion of syrup purchased under the industrial lot that exceeds the average of the quantity purchased for the last three (3) years. This price reduction will be applied by the "Federation" at the end of the marketing year, March 31, 2017.

For other terms and conditions of sale related to the purchase of inventory syrup, please refer to section 2 of this communiqué.

Industrial syrup - new markets discount

In addition, as the Federation wishes to promote the development of **new markets** for this type of syrup (industrial lot), any buyer who wants to purchase this type of syrup for **new industrial markets or for industrial syrup distributors who have not previously conducted business with an authorized buyer between 2010 and 2016** may also benefit from an additional discount of fifty cents per pound (\$0.50/pound). The price will therefore be minimum Agreement prices plus \$0.25/pound for marketing fees, minus \$0.15/pound for industrial syrup marketing fees, plus an organic premium of \$0.175/pound, minus \$0.50/pound for new markets. This discount will apply if an external auditor can verify that the volumes purchased have been sold for the purposes of new markets. The discount will be applied by the Federation once it has received confirmation from the external auditor.

Lot industriel régulier ou biologique pasteurisé destiné aux nouveaux marchés

Catégorie	Transmission de la lumière	Prix de la grille ¹	Frais de classement ²	Contributions CIE ³	Frais de mise en marché ⁴	Escompte mise en marché	Prime biologique	Rabais nouveaux marchés	Prix de vente				
									\$CAN/livre				
VR5-NC5 régulier	0% à 100%	1,8000	0,0075	0,0050	0,2500	(0,1500)	-	(0,5000)	1,4125	18,72	15,59	4,12	869
NC1-NC4 régulier	0% à 100%	1,8000	0,0075	0,0050	0,2500	(0,1500)	-	(0,5000)	1,4125	18,72	15,59	4,12	869
VR5-NC5 biologique	0% à 100%	1,8000	0,0075	0,0050	0,2500	(0,1500)	0,1750	(0,5000)	1,5875	21,03	17,52	4,63	976
NC1-NC4 biologique	0% à 100%	1,8000	0,0075	0,0050	0,2500	(0,1500)	0,1750	(0,5000)	1,5875	21,03	17,52	4,63	976

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¹ Prix de base du sirop servant à établir le paiement aux producteurs

² Frais de classement et de vérification de la qualité. Représente la moitié des frais totaux, l'autre partie étant payés par les producteurs

³ Contributions payable au Conseil de l'industrie de l'érable (CIE) qui représente les acheteurs autorisés de sirop d'érable en vrac au Québec

⁴ Frais incluant les coûts de manutention, de pasteurisation, d'entreposage et le prix du baril de métal à usage unique de 45 gallons imp. (55 gallons US)

⁵ Le prix de vente par barils est basé sur un baril contenant 615 lb de sirop.

Industrial syrup - five (5) year "stability" contract

Furthermore, for authorized buyers who want to fix their purchasing costs for industrial syrup intended for new markets, the Federation may sign a five (5) year agreement with them, which will stipulate that the price of industrial syrup will be set according to the lesser of:

1. Marketing Agreement prices (article 4.01 a) for NC grade syrup, minus \$0.50/pound;
2. \$1.80/pound minus \$ 0.50/pound.

Standard fees, namely grading fees, CIE contributions, and marketing fees and discounts will be added to the above amount, where applicable.

1.5. Unpasteurized regular lot: Unpasteurized regular or organic AA, A, B, C and D syrup from the marketing years 2010 to 2016

The Federation has limited stocks of unpasteurized syrup because of the low volume of transfers at the time of this communiqué. The Federation will be selling all volumes of unpasteurized syrup in bulk, both regular and organic, that it currently holds according to the quantities listed in the table on the next page (site # 1).

The Federation is also able to provide additional quantities of unpasteurized syrup by temporarily stopping pasteurization at its Laurierville factory warehouse (site # 2). Given its effect on the pasteurization process and to optimize operations at its factory warehouse, unpasteurized syrup requests from authorized buyers must be received no later than June 20, 2016 and must be part of a firm offer. As the Federation will establish inventories of this lot once the volumes are known, the syrup grades (colour classes and proportion of VR1 and VR4 defects) will be dependent on the syrups received from producers (excluding VR2, VR5 and NC defects) at Laurierville from late June to mid-July and cannot be known in advance. The volume will be limited to 1,000,000 lb.

Given the high risk of degradation for this type of syrup, all syrup sold as part of this lot (site # 1 and site # 2) must be delivered before July 22, 2016. To accelerate the process, and given that the original grading of all syrup sold as part of this lot is relatively recent, no reclassification will be allowed.

An authorized buyer who has, in this marketing year, exceeded the average of his/her syrup purchases for the three (3) preceding marketing years shall benefit from a price reduction of \$0.10 per pound. If applicable, this reduction will also apply to the portion of syrup purchased under the industrial lot that exceeds the average of the quantity purchased for the last three (3) years. This price reduction will be applied by the "Federation" at the end of the marketing year, March 31, 2017.

For other terms and conditions of sale related to the purchase of inventory syrup, please refer to section 2 of this communiqué.

The maple syrup is available in a lot of 11 barrels or more (about 6,700 pounds).

Site #1 - lot régulier et biologique non-pasteurisé

	Catégorie	Quantité (lb)	Transmission de la lumière	Prix de la grille ¹	Frais de classement ²	Contributions CIE ³	Frais de mise en marché ⁴	Crédit défaut VR1 et VR4 ⁵	Prime biologique	Prix de vente	Prix de vente approximatif pondéré ⁷		
											\$/CAN/livre		
Régulier	AA - extra clair	-	75% à 100%	2,9500	0,0075	0,0050	0,1000	-		3,0625	2,85	37,78	648 506,68
	A - clair	-	60,5% à 74,9%	2,9500	0,0075	0,0050	0,1000	-		3,0625			
	B - médium	-	44% à 60,4%	2,9300	0,0075	0,0050	0,1000	-		3,0425			
	C - ambré	-	27% à 43,9%	2,8200	0,0075	0,0050	0,1000	-		2,9325			
	D - foncé	2 763	0% à 26,9%	2,5500	0,0075	0,0050	0,1000	-		2,6625			
	Défauts VR1-VR4 ⁶	152 828	0% à 100%	Selon catégorie	0,0075	0,0050	0,1000	Selon défaut		2,7050			
Biologique	AA - extra clair	-	75% à 100%	2,9500	0,0075	0,0050	0,1000	-	0,1800	3,2425			
	A - clair	-	60,5% à 74,9%	2,9500	0,0075	0,0050	0,1000	-	0,1800	3,2425			
	B - médium	-	44% à 60,4%	2,9300	0,0075	0,0050	0,1000	-	0,1800	3,2225			
	C - ambré	-	27% à 43,9%	2,8200	0,0075	0,0050	0,1000	-	0,1800	3,1125			
	D - foncé	20 548	0% à 26,9%	2,5500	0,0075	0,0050	0,1000	-	0,1800	2,8425			
	Défauts VR1-VR4 ⁶	51 300	0% à 100%	Selon catégorie	0,0075	0,0050	0,1000	Selon défaut	0,1800	2,8850			
TOTAL		227 439											

Tous les prix sont F.O.B. (Ex Works) - entrepôt de Laurierville (Québec)

Site #2 - lot régulier non-pasteurisé

Type de lot	Quantité (lb)	Catégories de sirop (couleur)					Types de défaut	
		AA	A	B	C	D	Vr1 et Vr4	VR5 et NC
Site #2	1 000 000 max.	Selon réception des producteurs					0%	

¹ Prix de base du sirop servant à établir le paiement aux producteurs

² Frais de classement et de vérification de la qualité. Représente la moitié des frais totaux, l'autre partie étant payés par les producteurs

³ Contributions payable au Conseil de l'industrie de l'érable (CIE) qui représente les acheteurs autorisés de sirop d'érable en vrac au Québec

⁴ Frais incluant les coûts de manutention, de pasteurisation, d'entreposage et le prix du baril de métal à usage unique de 45 gallons imp. (55 gallons US)

⁵ Le crédit s'établit à 0,10\$ pour les défauts de type VR1 et 0,15\$ pour les défauts de type VR4

⁶ Les sirops avec défauts de type VR1 (bois, sève, brulé, caramélisé) et VR4 (non-identifié) sont répartis également les catégorie B - médium, C - ambré et D - foncé

⁷ Le prix de vente moyen est approximatif mais celui-ci est près du prix réel moyen du lot.

2. ACCESS AND DELIVERY POLICY

The conditions stated in this communiqué will apply until November 30, 2016, inclusive.

2.1. General information

Please note that data concerning the inventory of maple syrup received and retained by the Federation may vary daily based on syrup receipts for the current marketing year and confirmed purchase orders received.

A certain number of lots, including a list of specific barrel numbers, is assigned to the buyer when the purchase offer is signed. It is expressly understood that, following regrading of syrup from different lots, some maple syrup of one grade may be regraded to a superior or inferior grade, so that the percentages of maple syrup for grades within a given lot may vary. The Federation does not assume any responsibility in this regard. The lot will then be sold according to its actual composition.

The Federation does not guarantee any order whatsoever beyond the specifically announced inventories or quantities.

Maple syrup for the current marketing year may be pasteurized or unpasteurized depending on availability.

Depending on availability, the maple syrup will be located in the Federation's warehouses in Laurierville and Saint-Antoine-de-Tilly, or in the Citadelle warehouses.

2.2. Terms of sale

Maple syrup will be available according to the following terms:

First round: First, any authorized buyer, provided that they comply with the provisions of the Agreement, has from June 15 until 5:00 p.m. on June 30, 2016, for pasteurized lots, and from June 15 until 5:00 p.m. on June 20, 2017, for unpasteurized lots, to offer to purchase maple syrup from the inventory, through a firm, irrevocable and unconditional offer, via email to the following address: fpag.acheteurs@upa.qc.ca or by fax to the following number: 450-679-1827.

As specified in section 10.01 d) of the Marketing Agreement, in cases where authorized buyers' purchase offers for a maple syrup grade from the Federation's inventory are greater than the amount of syrup available of this grade, the syrup is distributed and sold between all the authorized buyers that requested the purchase in proportion to the average volume of graded syrup purchased by each buyer over the last three years, up to a maximum of the quantity that was requested for purchase.

Second round: Next, once the first round is complete, i.e. starting July 1, 2016, the Federation will sell the balance of the syrups offered during the first round until November 30, 2016, to any buyer, whether authorized or not. Any such buyer, provided they honour the provisions of the Agreement, may acquire lots from the inventory, by submitting a firm, irrevocable and unconditional offer. Nonetheless, in compliance with the provisions of article 10 of the Agreement, no unauthorized buyer may acquire a total greater than 500,000 pounds of syrup, including all grades, or a total greater than 1 million pounds if an authorized buyer. During the second and fourth rounds, maple syrup will be sold on a "first come, first served" basis.

The Federation will announce a third round on December 1, 2016, in compliance with the provisions set out in paragraph 10.01f of the Agreement.

2.3. Barrels

Pasteurized syrup will be contained in 45.76-gallon single-use food-grade barrels. In such a case, the prices set out in this communiqué include full ownership of the barrels. These are single-use barrels and buyers must ensure that they will not at any time be reused to contain maple products again. To ensure this, when they dispose of these barrels, buyers must take the necessary steps to alter these containers so that they can never again become reusable. By way of example, holes may be made in the bottoms of these barrels, or they may be destroyed by a metal recycler, with evidence to prove it. Any buyer who does not comply with this provision will be required to pay a fine of \$50 per barrel if these barrels are rediscovered on the market.

(The following paragraph does not apply to this sales communiqué)

Where applicable, the provisions of the Agreement apply to unpasteurized maple syrup barrels from the 2016 marketing year. In such case, the buyer must pay the Federation a refundable deposit of \$125 per barrel, at the time of taking receipt of a maple syrup delivery, to cover the new replacement value of the barrels. The deposit will be made through a wireless transfer deposited in the Federation's account or by delivery of an irrevocable letter of credit to the Federation, valid until March 31, 2017, to the Federation's satisfaction.

(The following paragraph does not apply to this sales communiqué)

The buyer must return these barrels to the warehouse and from wherever they were provided, at their own cost and in the state in which they had received them, no later than January 15, 2017, and these barrels must be clean and properly steam-washed according to good professional practices. For any barrel that is not returned within the time frame and for any barrel seriously damaged by the buyer, the buyer must pay the Federation the current replacement cost for a new barrel of the same kind and dimensions. The buyer must also pay the Federation the current costs for any barrel not properly washed.

2.4. Quality audit, related costs and contributions to the CIE

Fees related to the initial quality audit of the syrup (\$0.0075/pound), conducted by a specialized company, will be added to the agreed upon price in order to defray the costs of this audit.

Contributions 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", currently corresponding to \$0.005/pound, will be added to the agreed upon price.

Finally, if the buyer so wishes, the Federation will undertake an additional quality audit of pasteurized maple syrup. In this case, an additional fee of \$0.0075/pound will be added to the agreed upon price. If no additional audit is requested, the buyer must sign the "Resolution for the purchase of unpasteurized and pasteurized maple syrup for which there is no order for regrading", a copy of which is attached to this communiqué, upon signing a maple syrup purchasing agreement.

2.5. Syrup eligibility conditions

All buyers must comply with the provisions of the Agreement to take advantage of these terms. In addition, all buyers must sign a maple syrup purchasing agreement to the Federation's satisfaction. A non-reimbursable deposit of 6% of the maple syrup's value covered by such an agreement must be paid upon signature of this agreement, which will be applied to the last payment owed to the Federation, if necessary.

Maple syrup is available for any buyer that wants it with the exception of the following buyers:

- a) buyers who are currently under investigation by the Federation for non-compliance with applicable regulations and the Agreement;
- b) buyers who the Federation has reasonable grounds to believe are not complying with applicable regulations and the Agreement.

2.6. Payment terms and maple syrup delivery

The price of the maple syrup and costs related to the quality audit must be paid through a bank wire transfer into the Federation's account before the buyer takes possession of the product. The buyer must guarantee reimbursement to the Federation of any customs costs related to completing the purchasing transaction for direct sales for export. Any activity related to placement in tanks, if applicable, must be carried out entirely by the buyer who requests it and who must bear the costs for it. The maple syrup must be delivered at the buyer's expense to warehouses designated by the Federation during normal business hours and with at least 24 hours' notice, no later than November 30, 2016.

FOR MORE INFORMATION

For more information or any questions about these terms, please contact Mr. David Tougas at 1-855-679-7021, ext. 8290, or Ms. Chantal Fortin at 1-855-679-7021, ext. 8470.

*Simon Trépanier, Director General
Federation of Quebec Maple Syrup Producers*