Economic Decision Making

Background: Economic decision-making occurs through out society, including maple syrup productions. The process of economic decision-making uses gathered information to create several possible outcomes, which are then weighed in terms of benefits and drawbacks and decided upon. In the Maple industry, producers encounter a number of economic decisions that do not just affect them, but the community around them.

Resources and References:

"Decision-Making Process" UMass Dartmouth. Retrieved 22 January 2019. https://www.umassd.edu/fycm/decision-making/process/

"Maple Syrup Profile" AgMRC: Agricultural Marketing Resource Center. Retrieved 22 January 2019. <u>https://www.agmrc.org/commodities-products/specialty-crops/maple-sugar-profile</u>

"How Much Sap Can One Tree Produce" New York Pure Maple. Retrieved 22 January 2019. https://www.nysmaple.com/how-much-sap-can-one-tree-produce/

"CDL Online Store" CDL. Retrieved 22 January 2019. https://webstore.cdlusa.net/en/plastic-jugs

Activities:

Economic Scenario Worksheet:

Goal: This activity aims to explore decision-making and the outcomes caused by the decisions.

Equipment:

- An economic scenario
- Worksheet

Procedure:

• This activity can take a number of different forms. You can present a single scenario to the whole class and walk through the work sheet together. You can split the class into multiple groups, give each a different scenario, have each group walk through the worksheet, and present their findings to the class. Students can even work individually on scenarios as an independent assignment.

Scenario 1: You are a maple producer, who is trying to grow your business. You have a very large evaporator and reverse osmosis machine. These two pieces of equipment mean that you can process much more sap than your maple trees can produce. You do some calculations, and you realize you can handle the sap from about 300 more taps. You



mention your predicament to neighbors, who has been thinking about tapping their own trees. You begin to think of how you can collaborate together.

Numbers:

- Maple syrup sells on average for \$35 per gallon.
- One tap can produce up to a half a gallon of syrup per year.
- According to Cornell, it costs approximately \$6.89 per tap to set up a sugar stand, which for 300 taps would be \$2,067.00.
- Sap does not currently have an average price per gallon, but students could go through the negotiation process to determine the selling point.

Scenario 2: You are a newer maple producer, who is trying to figure out how you want to sell your product. You are producing approximately 100 gallons of syrup per year, and you need to decide if you want to sell your syrup in bulk to a bottling company and distributor who will sell it outside your community or if you want to bottle and sell your syrup on your own to local smaller markets. Bottling and selling your own maple syrup will take more of your time and resources, but it keeps your product within your community.

Numbers:

- Maple syrup on average sells in bulk for \$35 per gallon.
- Maple syrup can sell for upwards of \$70 per gallon at retail.
- One quart bottle costs \$1.02, and you would need about 400.
- To sell all 100 gallons of syrup, it would take one workweek, or 40 hours, of your time, which is valued at \$15 per hour.

Link to Standards: This activity deepens students' understanding of how economic decisions are made and how they affect more than just the individual.

