A snapshot at sugarbush lease rates in Vermont

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Many sugar makers in Vermont own the land on which their trees grow. The land may have been passed down through several generations of family ownership or recently purchased on the open market. Sometimes, however, producers will pay landowners for the right to tap trees. Whatever the reason, sugar makers and landowners who decide to enter into an agreement, at a minimum, they must agree on a price and terms before tapping can begin. This is just the beginning however as both landowner and producer need to consider several things before an agreement can be reached. Determining length of lease, minimum tree diameter to be tapped, when payment is made as well as determining what restrictions related other activities (thinning, retubing, road maintenance, etc.) needs to be done before an agreement can be finalized. These and other details should be carefully considered and written into a signed lease agreement. This article will focus on just the number of leases from 11 of the 14 counties were identified. Most but not all leases were written contracts. Most than half the leases were for 10 years or more. The size of operation ranged from 150 taps to 20,000. The reported lease rate ($)/tap ranged from $0.50-$3.65/tap. It may come as no surprise to anyone with a background in real estate, location is a significant factor in determining market value. In the case of sugarbush lease rates in Vermont, the numbers should not however be considered a recommendation for a particular rate but rather a piece of information to use when negotiating an agreement. The reason for this is that like most transactions that involve real estate, location is a significant factor in determining market value. In the case of leasing trees for tapping, the demand from other maple producers will generally drive up the price, while a lack of other interested parties will largely allow prices to remain unchanged from historical values.

A total of 35 different Vermont sugarbush leases from 11 of the 14 counties were identified. Some agreements are set at a fixed dollar amount per tap and others include a base amount with an additional amount that adjusts based on syrup yield or the fluctuating bulk price of syrup. The information gathered for this article came from several sources. The numbers were compiled to understand trends. Sources of information included sugar makers, private lenders, private consulting foresters as well as county foresters. The numbers should not however be considered a recommendation for a particular rate but rather a piece of information to use when negotiating an agreement. The reason for this is that like most transactions that involve real estate, location is a significant factor in determining market value. In the case of leasing trees for tapping, the demand from other maple producers will generally drive up the price, while a lack of other interested parties will largely allow prices to remain unchanged from historical values.

Chase Mountain Forest
973 Acres, Berlin, Vermont
Exceptional, central Vermont, potential sugarbush opportunity with 40,000 +/- taps covering one half of the acreage (66 taps/acre). Power roadside with old home included. Timber value set at $1,113,300 ($1,144/acre) with 32 total cords/ ac. Conservation easement allows for sustainable harvesting and sugaring. $1,285,000

Harris Trust Forest
267 Acres, Belvidere, Vermont
Potential, northern Vermont sugarbush. June 2017 timber inventory indicates a potential tap count of 15,000 taps, (57 taps/acre). Additional 9,000 taps may become available from the 5-8" diameter class. Standing timber value set at $293,000. One watershed, gentle terrain, power .8 miles away. $330,000

Full property details at fountainsland.com