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CHRISTMAS TREE SALES IN TWIN CITY AREA, 1960

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Christmas tree growers and retail lot operators in Minnesota are continuing to face changing consumer wants on the one hand and rapidly increasing supplies on the other. The extent and significance of these occurrences are often difficult for the individual to determine in an industry of this size. Planning for lot operations in the year ahead and for Christmas tree production and harvesting over the next several years may be enhanced by this study of 1960 Christmas tree retail lot operations.

The School of Forestry in cooperation with the Agricultural Extension Service conducted a mail survey of 261 licensed Christmas tree operators in the Twin Cities and suburban areas at the close of the 1960 holiday season. About 25% (65) of those contacted replied. Nearly 87,000 trees were sold by the 60 lots in this group reporting their sales volume.

Balsam fir remained the favorite Christmas tree species in this market area accounting for about half the purchases made by consumers (Fig. 1). Norway pine was the second most important species and has about doubled its share of the market since 1956 based on a comparison of the 1960 estimate with the data of Sullivan and Hansen, 1957.[2]

Comparison with data from a similar survey conducted in 1959 shows a large increase in the proportion of lots handling Scotch pine (Fig. 2) indicating its increasing popularity. Norway pine was also handled by a somewhat greater proportion of lots in 1960. However, this change was less noticeable than that for Scotch pine.

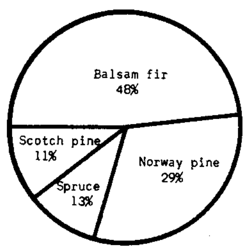

Fig. 1. Percentage of Christmas Tree Sales by Species. A small number of miscellaneous species were reported, but these accounted for less than ½ of 1% of the total.

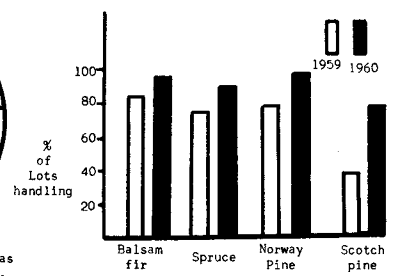

Fig. 2. Proportion of Lots Handling Selected Species in 1959 and in 1960.

Overall about 11% of the trees obtained by retail lot operators were reported to be unsold at the end of the Christmas season. The proportion of each species unsold is given in Table 1. In personal contacts with retailers it was noted that many considered about 10% to be a "normal" ratio of unsold trees.

Balsam fir and spruce obtained by Twin Cities area retail lot operators were largely grown in Minnesota. Scotch pine and Norway pine were grown in about equal numbers within Minnesota and in other states. Fig. 3 shows the percentage of each species by the state in which it was grown.

1/ Assistant Professor, School of Forestry; Extension Forester of Ag. Extension Service; and Professor, School of Forestry, respectively.

2/ Sullivan, E. T. and H. L. Hansen, 1957. "The Twin Cities metropolitan area as a market for Norway pine Christmas trees". Minnesota Forestry Notes. No. 60, July 15, 1957.

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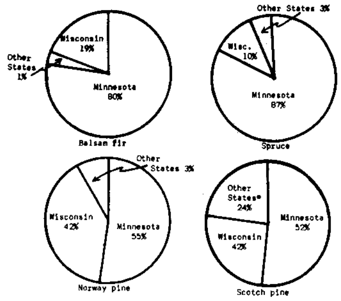

Fig. 3. Source of Trees Purchased by Retail Lot Operators, 1960.
*Included purchases from Canada, Pennsylvania, and Michigan.

Table 1. Percentage of Trees Unsold on Reporting Lots, 1960

Species	% of Species Unsold
Balsam fir	11
Spruce	14
Norway pine	13
Scotch pine	6

Only Scotch pine was received from points beyond Wisconsin in significant numbers. As a result, retailers were more likely to buy this species through a wholesaler or jobber. While about 70% of the retailers purchasing either balsam fir or spruce or Norway pine reported buying directly from the landowner, only half of those purchasing Scotch pine bought directly.

For all species except spruce, trees were more likely to be purchased "delivered to the lot" than either "cut and piled" or "on the stump". Nearly all original purchase agreements were made in the months of September through December with no difference among species noted on this arrangement. In all cases, 80-85% of the lot operators made their arrangements during this period.

Scotch pine and Norway pine were the most expensive trees for retail operators to buy but commanded a higher dollar margin from consumers than did either balsam fir or spruce (Fig. 4). The range in prices reported received for a 6-8' tree is given by species in Table 2. Some of the variation is undoubtedly the result of quality differences within species. It was not possible to adopt the U.S. Christmas Tree Grading Standards in this study because of the apparent lack of use of these grades by individuals in the trade.

Table 2. Range of Reported High and Low Retail Prices* for 6-8' Tree, 1960

Species	High	Low	Median Lot	
			High	Low
Balsam fir	$1.75-$ 8.00	$0.75-$3.50	$4.50	$1.50
Spruce	$1.50-$10.00	$0.50-$2.50	$3.50	$1.00
Norway pine	$2.50-$10.00	$0.50-$4.50	$5.00	$2.50
Scotch pine	$3.50-$10.00	$1.50-$5.00	$6.00	$3.00

*These ranges include 90% of the observations obtained, thus removing extreme reported values.

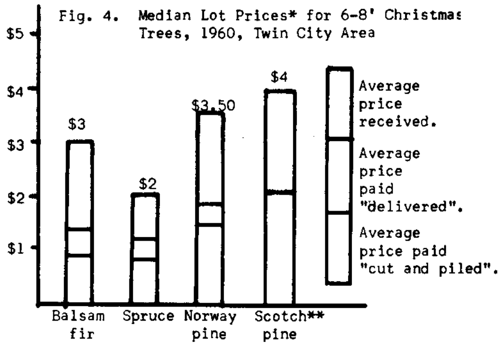

Fig. 4. Median Lot Prices* for 6-8' Christmas Trees, 1960, Twin City Area

*The estimated average price paid by median lot.
**Inadequate observations to determine "cut and piled" price paid for Scotch pine.

These data (Fig. 4 and Table 2) again show the relatively greater strength in the market place of the Scotch and Norway pines. This is particularly noticeable in comparisons made with spruce.

An increase in the share of the Twin Cities Market for Scotch pine seems probable over the next few years. The available supply of such trees from Minnesota plantations is expected to rise based on a study conducted by Sullivan, 1959[3/], and will make such a sales expansion even more likely. Some softening in market conditions for Norway pine might also be expected from increasing supplies of this species and the possible substitution of Scotch for Norway pine on the part of many consumers.

3/ Sullivan, Edward T. 1959. "Trends in growing Christmas trees in Minnesota." Minnesota Forestry Notes. No. 82, Oct. 15, 1959.

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