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Retail Christmas Tree Sales in the Twin Cities Area, 1962

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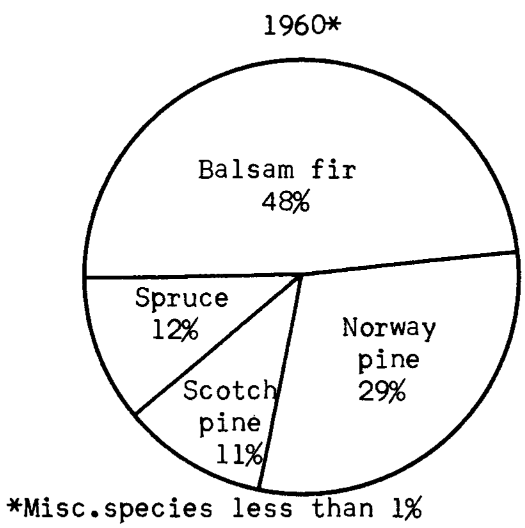
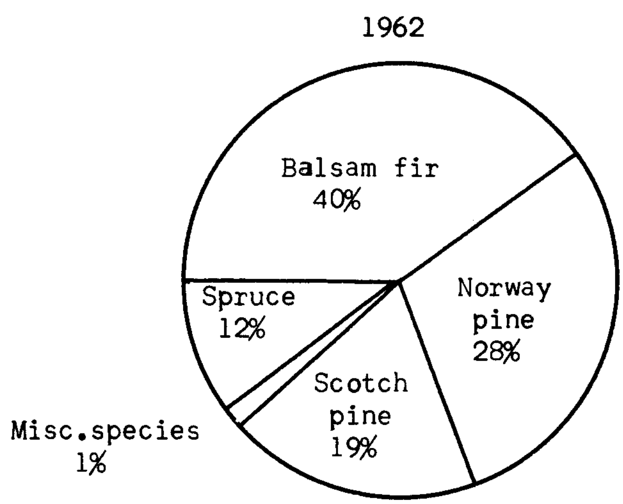
Balsam fir continued to be the most popular Christmas tree with consumers in the Twin Cities market area in 1962 accounting for four out of every 10 tree sales. This conclusion was based on replies received from approximately 40% of the 300 licensed lot operators in this area reached by mail in an annual survey conducted by the School of Forestry and the Agricultural Extension Service. Those operators replying had sold 82,000 trees to consumers.

Comparison of the 1962 data with those obtained in a similar survey in 1960 indicates that there has been an apparent substitution of Scotch pine for balsam fir over the past three years (Figure 1). Norway pine and spruce market percentages have remained stable with the number sold changing only with changes in the total of all tree sales. Miscellaneous species such as Austrian pine and white pine were sold in substantially greater numbers in 1962 than in 1960 but still account for only one per cent of the total retail sales.

Figure 1. Percent of Christmas Tree Retail Sales by Species.





An improvement in balance between supply and market requirements over 1961 occurred for spruce, with that for other species remaining essentially the same, as shown in Table 1. Not all individual retailers, of course, faired equally well in the market with quality of available trees playing a significant role in marketability.

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Table 1. Percent of Trees Available for Retail Sale Reported Unsold

Species	1960	1961	1962
	% of trees unsold		
Balsam	11	17	15
Spruce	14	23	12
Norway pine	13	13	15
Scotch pine	6	13	13
All species	11	16	14

Somewhat higher prices were paid by consumers for a 6-8' tree than in the previous year. Table 2 indicates that the average price received in 1962 by the median lot increased 50¢ for each of the principal species over that in 1961. Mixed but minor changes in corresponding prices paid for trees delivered or cut and piled were reported as shown in Table 2. Gross margins between the average delivered price paid for a tree and average price received for a tree by the median lot ranged by species from 42% to 44% of the price received.

Table 2. Average Prices Paid and Received by Median Lot Operator for 6'-8' Trees in 1961 and 1962.

Species	Average Price					
	Received		Paid Delivered		Paid Cut and Piled	
	1961	1962	1961	1962	1961	1962
Balsam fir	2.50	3.00	1.25	1.20	.75	1.00
Spruce	2.00	2.50	1.00	1.00	.60	.80
Norway pine	3.50	4.00	1.75	1.70	1.50	1.50
Scotch pine	4.00	4.50	2.50	2.40	2.00	1.80

Christmas tree lot operators licensed in this market area showed a 10.4% decline from 1961 to 1962. The most pronounced decline occurred within St. Paul and Minneapolis with a smaller decrease in the suburban areas (see Table 3). Of the 300 licensed Christmas tree dealers in 1962, 32% had not been licensed in the same city or village in 1961. Of the 335 licensed lot operators in 1961, 39% did not obtain licenses in the same city or village in 1962. This indicates that Christmas tree growers and wholesalers have a substantial new population of retailers to deal with from year to year.

Table 3. Christmas Tree Sale Retail Lot Operators

	1961	1962
Minneapolis-St. Paul	221	190
Suburban Areas	114	110
Total	335	300

Table 4. Change in Lot Operators 1961 to 1962

New Lot Operators 1962	97
1961 Lot Operators Not Licensed in 1962	132

Minnesota Christmas tree producers supplied 50-60% of the Norway and Scotch pine available for sale to consumers in this market in 1962. The principal out-of-state competition was from Wisconsin growers. Opportunity for some market expansion exists for Minnesota growers in the Twin Cities market. However, to bring about changes in established patterns requires skillfully cultured trees and aggressive marketing on the part of the producer.

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