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# MINNESOTA FORESTRY NOTES

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## RETAIL CHRISTMAS TREE SALES IN THE TWIN CITY AREA<sup>1</sup> 1966

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Retail Christmas tree lot operators in the Twin City area purchased an increased percentage of their Scotch pine and Norway pine from Minnesota in 1966. Results of the seventh annual survey of retail Christmas tree lot sales in the Twin City area indicate that this reverses a trend noted previously toward more purchases of trees from Wisconsin. This survey was conducted jointly by the School of Forestry and the Agricultural Extension Service. Of the 224 lot operators contacted in 1966, 45% replied. These operators reported sales of more than 92 thousand trees.

The four species listed in Table 1 comprised 98% of the retail market in 1966. Table 1 shows the percent of trees purchased by species and by state of origin during 1961 and 1964-1966. The more prominent role of Minnesota producers as suppliers of pine is of considerable importance as these two species accounted for 66% of all trees reported sold as shown in the Figure.

Table 1. Percent of Trees Purchased by State of Origin by Species 1961 and 1964-1966

Species	1961		1964		1965		1966	
	Minn.	Wisc.	Minn.	Wisc.	Minn.	Wisc.	Minn.	Wisc.
Balsam fir	92	8	85	12	92	8	92	7
Spruce	85	8	97	3	88	12	80	19
Norway pine	61	15	60	30	41	58	66	32
Scotch pine	63	24	56	28	45	45	61	30

It seems likely that these increased purchases of pine from Minnesota suppliers reflects a delayed supply response by Minnesota growers to the changing demand situation in the Twin City area. The nature of this change is evidenced in the Figure showing the percent of total Christmas trees reported sold by major species for 1960-1966. There has been a substantial increase in the sales of Scotch pine during the seven year period. This trend continued, accounting for 42% of such sales in 1966. Spruce and Norway pine sales have remained a steady percentage of the total market. Balsam fir has suffered heavy losses in market acceptance over this period.

Many Christmas tree retailers indicated that consumers are becoming more quality conscious. One of the major problems cited by retailers is that of obtaining high quality balsam fir. Scotch pine Christmas trees are grown primarily in plantations and generally are sheared to improve shape and density. Balsam fir receives less culture treatment during the growing process because they are selected largely from wild grown trees. The differences in quality among the four major species are reflected in part by the percent of available Christmas trees unsold. These percentages

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are shown in Table 2 for the years 1964-1966. During the three years, there has generally been a smaller percentage of Scotch pine left unsold than of the other three most important species. Too many low quality balsam fir trees appear to be reaching the market.

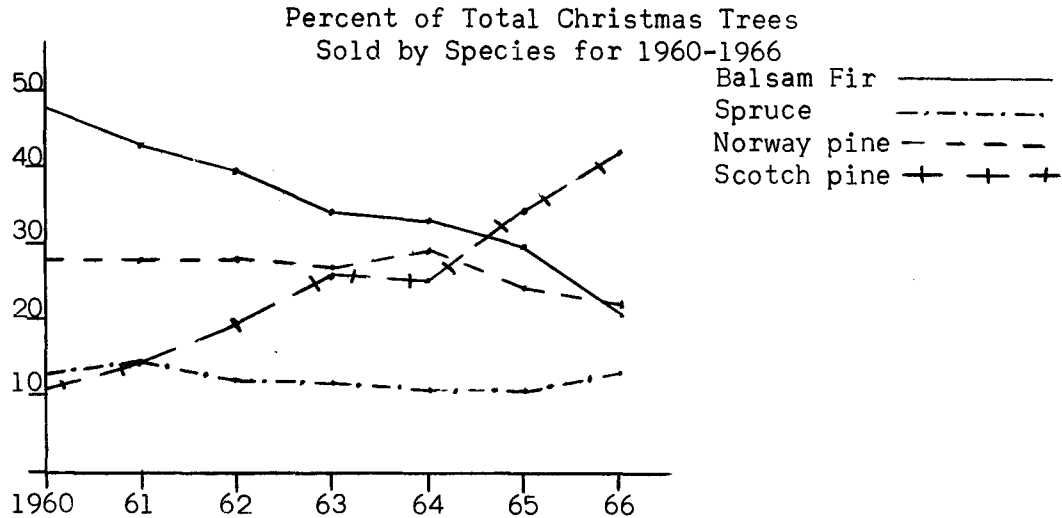


Table 2. Percent of Available Christmas Trees Unsold by Species, 1964-1966

Species	Percent Unsold		
	1964	1965	1966
Balsam fir	22	18	20
Spruce	17	9	12
Norway pine	15	18	20
Scotch pine	8	10	11

Table 3 shows the average prices received and paid by the median reporting lot operator for 6'-8' trees. Prices received by retailers for Norway pine and Scotch pine were higher in 1966 than they were in 1965. The retail price increase for Norway pine may reflect the cost increase of trees from suppliers. However, prices paid for Norway pine increased even more than the price received indicating a declining retail margin. Prices paid for Scotch pine remained relatively steady over the three year period and may reflect increasing numbers of plantation trees reaching a marketable age. Prices received for balsam fir and spruce have remained steady over the three year period as have prices paid delivered. However, prices paid cut and piled have increased significantly for both of these species.

Table 3. Average Prices Received and Paid by Median Reporting Lot Operator for 6'-8' Trees, 1964-1966

Species	Received			Paid Delivered			Paid Cut & Piled		
	1964	1965	1966	1964	1965	1966	1964	1965	1966
	\$			\$			\$		
Balsam fir	3.00	3.00	3.00	1.40	1.60	1.50	1.00	1.40	1.50
Spruce	3.00	3.00	3.00	1.20	1.30	1.32	1.00	1.10	1.50
Norway pine	4.00	4.00	4.25	1.85	1.80	2.10	1.70	1.50	1.85
Scotch pine	5.00	4.60	5.00	2.40	2.45	2.50	2.10	2.20	2.10