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1964 RETAIL CHRISTMAS TREE SALES IN THE TWIN CITIES AREA

Paul Ellefson, Richard A. Skok, William R. Miles 1/

Generally higher prices for the four principal species of Christmas trees in the Twin Cities market area were reported for the 1964 season. This trend was evident by comparing replies received from 42% of the 259 licensed lot operators contacted through the fifth annual mail survey conducted jointly by the School of Forestry and the Agricultural Extension Service. The lot operators replying had sold 86,400 trees from their available supply of 97,020.

Based on the average price reported received by the median lot operator only Norway pine did not show an increase.

Table 1. Average Prices Received and Paid by Median Reporting Lot Operator for 6' - 8' Trees, 1962 - 1964

	Received			Paid Delivered			Paid Cut & Piled		
Species	1962	1963	1964	1962	1963	1964	1962	1963	1964
Balsam fir	3.00	2.80	3.00	1.20	1.20	1.40	1.00	1.20	1.00
Spruce	2.50	2.50	3.00	1.00	1.00	1.20	0.80	0.80	1.00
Norway pine	4.00	4.00	4.00	1.70	1.80	1.85	1.50	1.20	1.70
Scotch pine	4.50	4.20	5.00	2.40	2.20	2.40	1.80	1.70	2.10

The received price levels noted for 1964 were either at new highs or equal to highs achieved earlier for the five year period of this study, 1960-1964.

Increases in prices paid for his trees by the median lot operator were also noted. Only balsam fir, cut and piled, proved an exception to this general trend. The continuing problem that operators report in obtaining quality balsam fir may be reflected in this exception.

Despite higher tree costs these rises were not sufficient to offset the increase in received prices. The result was a somewhat higher gross margin for each tree sold. Gross margins are shown in Table 2 for 1964. Based on proportions of trees sold, balsam fir and spruce offer better margins than do the pines. The higher unsold proportions (22% balsam fir, 17% spruce, 15% Norway pine, and 8% Scotch pine for 1964) tend to either erase these differentials or substantially reduce them for the overall market.

Table 2. Gross Margins Per Tree Sold Based on Average Prices Reported in Table 1.

	Point of Purchase	
Species	Delivered	Cut & Piled
Balsam fir	114%	200%
Spruce	142	190
Norway pine	116	135
Scotch pine	100	129

1/ Research Assistant and Professor, School of Forestry, and Extension Forester, Agricultural Extension Service, respectively.

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Essentially no change in the 1964 species composition for trees reported sold compared to 1963 is indicated in the figure below. Balsam fir, Norway pine and Scotch pine essentially share equal proportions of the overall market. Spruce continues to claim approximately the same 12% found each year since this study was begun.

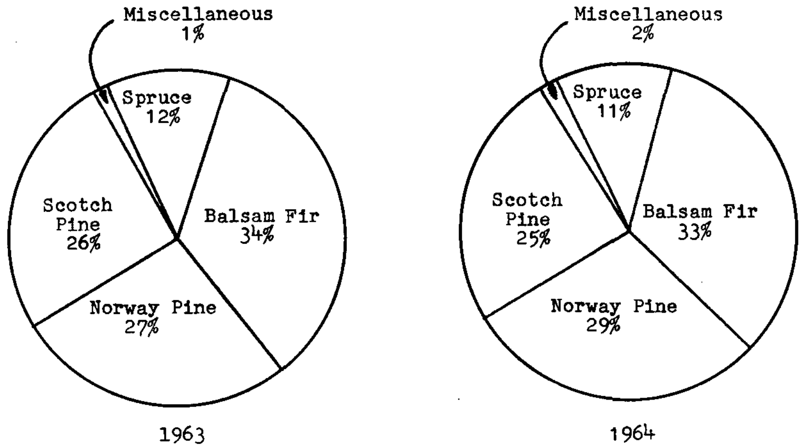

Figure. Percent of Christmas Tree Sales by Species, 1963 and 1964

Over the period 1961-1964, it has been noted that a decrease in licensed operators in one year is followed by an increase in the number the next year. An overall downward trend can be seen in the number of lot operators in Table 3. This has resulted largely in the cities of St. Paul and Minneapolis.

Table 3. Licensed Christmas Tree Lot Operators in the Twin Cities Area, 1961-1964.

Area	1961	1962	1963	1964
Minneapolis	127	117	133	104
St. Paul	94	73	80	64
Total	221	190	213	168
Minneapolis Suburbs	71	66	65	69
St. Paul Suburbs	43	44	45	53
Total	114	110	110	122
Grand Total	335	300	323	290

Based on reports received, the shift toward fewer lot operators has been accompanied by a slight increase in size as indicated in Table 4.

Table 4. Frequency of Lot Operators by Number of Trees Purchased for Retailing, 1961 and 1964.

Number of Trees	Proportion of Lot Operators	
	1961	1964
0-500	35%	35%
501-1000	37	32
1001-5000	26	31
5000+	2	2

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