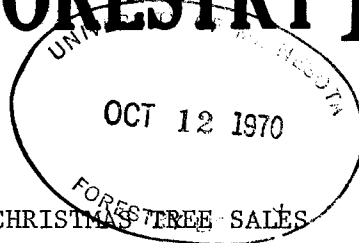


MINNESOTA FORESTRY NOTES

COPY 2



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1963 TWIN CITIES AREA CHRISTMAS TREE SALES

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The Scotch pine Christmas tree reached an all-time high in popularity in the Twin Cities area retail lot sales in 1963. This conclusion is based on replies received from 44% of the 301 licensed lots in this market area contacted through the fourth annual mail survey conducted jointly by the School of Forestry and the Agricultural Extension Service. Those lot operators replying reported sales of 99,000 trees to final consumers during this past Christmas season.

A decline in the balsam fir market share over the past four years has almost exactly offset the Scotch pine market growth (Figure 1). Comments volunteered by approximately one of every five operators responding indicate this shift may represent rapidly changing supply conditions. While the consumer has become more quality conscious than ever before in his selection of a tree, the general quality of balsam fir available (and to a lesser degree spruce) has declined. Some of this decline may be relative, reflecting the much broader availability today of cultured, plantation stock which has resulted in a new consumer image of quality. The general run of natural balsam and spruce may be little different than in the past but now must face more severe comparisons.

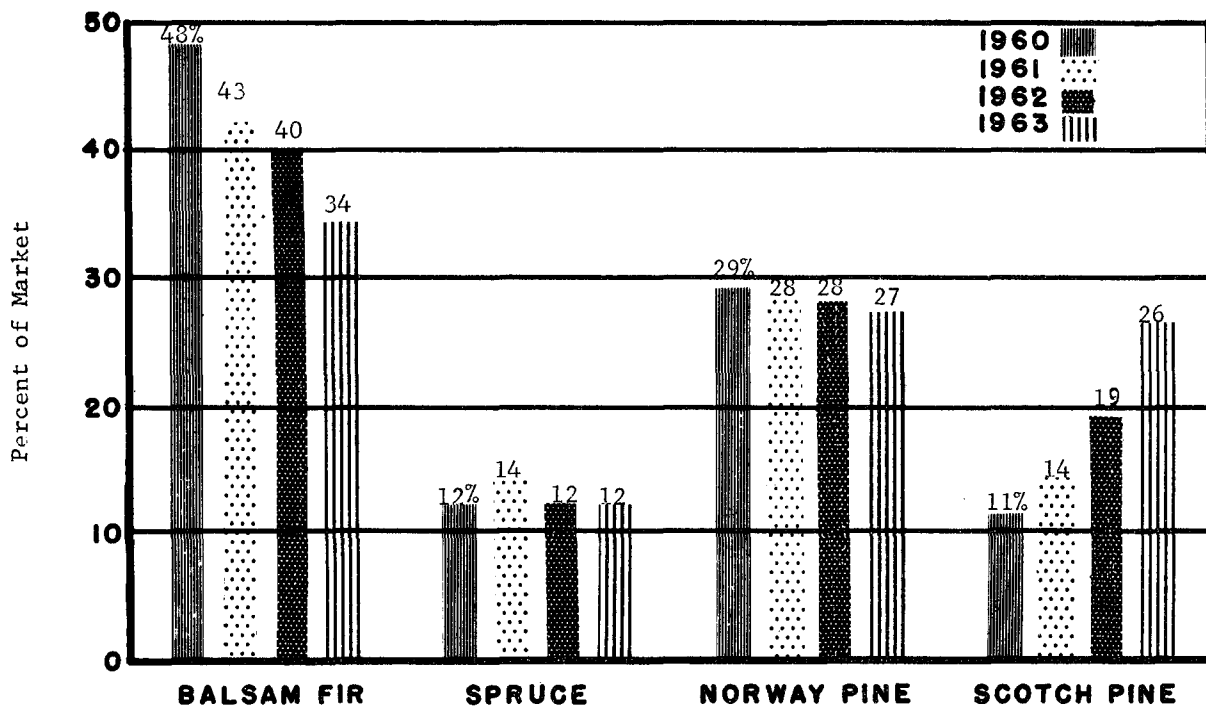


Figure 1. Twin Cities Area Christmas Tree Sales Market Shares by Species. 1960-1963

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The proportion of trees purchased from Minnesota growers by retail lot operators was unchanged from 1962 except for Norway pine. Approximately 75% of trees of this species came from Minnesota growers. This represents a substantial increase over the previous three years when Minnesota growers supplied 50-60% of the Norway annually. Scotch pine continued to be nearly equally supplied by in-state and out-of-state growers, with Wisconsin, Michigan and Pennsylvania, in that order, the principal import sources. Balsam fir and spruce continued to show only scattered importation from out-of-state sources. About 90% of the purchases by retail lot operators of each of these species was Minnesota-grown stock.

September and October were the months in which the purchase agreements were most commonly made for all species. In addition, November was a period of heavy procurement of spruce and balsam fir. Scotch pine tended to be purchased somewhat earlier than other species (Figure 2). The fact that a sizeable proportion of these trees came from greater distances probably led to earlier sales arrangements than the typical purchases made from within the state. Unusually heavy purchases (16%) of Norway pine were reported to have occurred in December.

Average prices paid and received by the median reporting lot are summarized in the Table. Little change from 1962 was noted except for some reduction in prices paid and received for Scotch pine. This probably reflects an increase in available supply of harvestable trees in Minnesota.

A 10% decline in the proportion of reporting retail lots handling flocked trees was noted since 1961. Several retailers handled only flocked trees while for several others flocked trees made up the largest proportion of their total number of trees sold. Only 8% of those selling flocked trees had entered this line for the first time in 1963. An additional 14% of the operators indicated they had dropped this product in 1963.

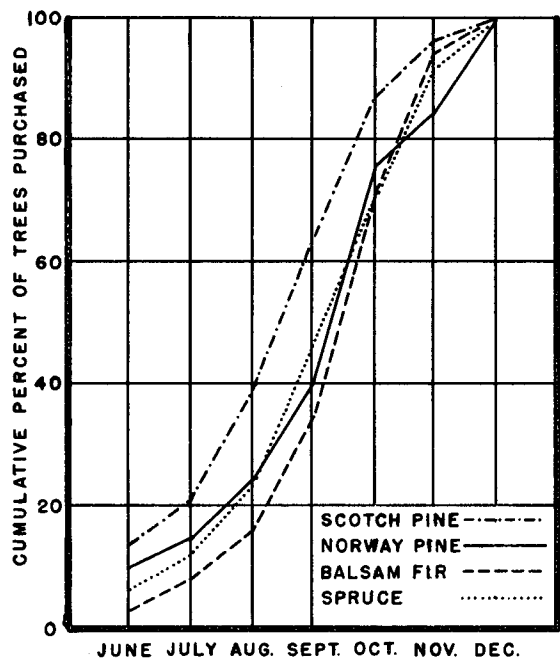


Figure 2. Cumulative Percent of Trees Purchased by Month by Species.

Average Prices Paid and Received by Median Reporting Lot for 6'-8' Trees, 1962-1963.

Species	Received		Paid Delivered		Paid Cut & Piled		Paid Stumpage	
	1962	1963	1962	1963	1962	1963	1962	1963
Balsam Fir	3.00	2.80	1.20	1.20	1.00	1.20	n.a.	n.a.
Spruce	2.50	2.50	1.00	1.00	0.80	0.80	0.80	0.80
Norway Pine	4.00	4.00	1.70	1.80	1.50	1.20	1.00	1.00
Scotch Pine	4.50	4.20	2.40	2.20	1.80	1.70	1.50	1.50

n.a. Not available--insufficient reports on which to base an estimate.