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THE TWIN CITIES RETAIL CHRISTMAS TREE MARKET, 1967

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More than 85,000 trees were sold in the Twin Cities area by survey respondents (51% of the 196 licensed operators contacted) included in the eighth annual retail Christmas tree lot sales survey conducted by the School of Forestry in cooperation with the Agricultural Extension Service.

The 100 respondents in this year's study indicated that more than 97,000 trees were purchased for retail sale. Of these, 84% originated on private land, and 69% were purchased directly from the grower. Red pine led all species in percentage purchased directly from the grower with 85%. This was followed by spruce, 71%; Scotch pine, 69%, and balsam fir, 49%.

Minnesota suppliers contributed 63% of the trees purchased for retail sale while Wisconsin suppliers contributed 21%. The ratio of trees originating in Minnesota to those originating in Wisconsin was much lower for the pines (2:1) than for either balsam fir (9:1) or for spruce (8:1).

The contribution of each species toward total sales for each of the eight survey years is shown in Table 1. Several trends are evident. Balsam fir has decreased in importance. Scotch pine has increased and has replaced fir as the most popular species in this market since 1965. Though spruce has held constant, red pine appears to have experienced a slight downward trend.

TABLE 1

Percent of Sales by Species and Year, 1960-1967.

Species	1960	1961	1962	1963	1964	1965	1966	1967
Balsam Fir	48	43	40	34	33	29	19	19
Spruce	12	14	12	12	11	11	13	13
Red Pine	29	28	28	27	29	24	21	22
Scotch Pine	11	14	19	26	25	34	42	44
Others	0	1	1	1	2	2	3	2

Table 2 shows the percent unsold at retail lots. The two species which have decreased in importance in the market, balsam fir and red pine, have had relatively high percentages of unsold trees in recent years. Spruce, despite some erratic percentages of unsold trees, has remained constant as a contributor to total sales. Scotch pine has maintained low percentages of unsold trees while increasing in market acceptance. Two frequent comments made by lot operators over the years, and pertinent here, are: (1) there is difficulty in obtaining good quality balsam fir, and (2) consumers are demanding better quality trees

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regardless of species. This undoubtedly contributes to the increased demand for Scotch pine which is generally sheared to improve quality while balsam fir is usually harvested from natural reproduction where little cultural work is performed.

TABLE 2

Percent of Trees Unsold by Species and Year, 1960-1967.

Species	1960	1961	1962	1963*	1964	1965	1966	1967
Balsam Fir	11	17	15		22	18	20	24
Spruce	14	23	12		17	9	12	16
Red Pine	13	13	15		15	18	20	20
Scotch Pine	6	13	13		8	10	11	12

* No data available

Table 3 shows the average prices paid and received by lot operators by species and purchase agreement and, also the percent of the species purchased under each purchase agreement. As would be expected, the pines commanded higher prices than did balsam fir and spruce.

TABLE 3

Average* Prices Paid and Received by Species and Purchase Agreement, 1967.

Species	Average Price Rec'd.	Delivered		Cut and Piled		Stumpage	
		Average Price	Percent Purchased	Average Price	Percent Purchased	Average Price	Percent Purchased
Balsam Fir	$3.33	$1.64	64	$1.43	22	$----**	1
Spruce	3.50	1.62	50	1.77	21	1.36	12
Red Pine	4.06	1.95	58	1.79	13	1.35	18
Scotch Pine	4.92	2.45	59	2.06	21	2.14	8

Percents purchased do not total 100 when added because some respondents grew their own trees and others indicated "Don't Know" or did not answer.

* All are weighted averages.

** Only two respondents.

Analysis of average gross margins (the difference between average price received and average price paid delivered) for each of the four major species showed that Scotch pine provided the greatest gross return to the lot operator, $2.47, followed by red pine, spruce and balsam fir at $2.27, $1.88, and $1.69, respectively. The average gross margins were calculated only for trees sold; thus, not accounting for cost of trees purchased but unsold.

Using average prices paid and received by median[2/] lot operators in 1967, a comparison with the three previous years (Table 4) shows that only spruce sold at a higher price. A further rise in some species for prices paid was noted, particularly in spruce and fir delivered. This may reflect an increase in shipping distances as corresponding cut and piled prices showed either decreased or unchanged prices.

TABLE 4

Median Lot Operator Reported Average Prices Received and Paid, 1964-1967.

Species	Prices Received				Prices Paid							
					Delivered				Cut and Piled			
	1964	1965	1966	1967	1964	1965	1966	1967	1964	1965	1966	1967
Balsam Fir	3.00	3.00	3.00	3.00	1.40	1.60	1.50	1.80	1.00	1.40	1.50	1.40
Spruce	3.00	3.00	3.00	3.50	1.20	1.30	1.32	1.80	1.00	1.10	1.50	1.50
Red Pine	4.00	4.00	4.25	4.25	1.85	1.80	2.10	2.00	1.70	1.50	1.85	1.80
Scotch Pine	5.00	4.60	5.00	5.00	2.40	2.45	2.50	2.50	2.10	2.20	2.10	2.40

2/ Median refers to the "middle" value and should not be confused with weighted averages as reported in Table 3.

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