

# **2002 Minnesota Christmas Tree Grower Survey**

**Conducted by:  
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**In cooperation with:  
Minnesota Christmas Tree Association**

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## **Objective and background:**

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The primary objective of the survey was to provide growers with current information regarding the varieties of trees currently growing in Minnesota. Of special interest is the number of exotic species being grown and the feedback from growers who have planted them. This survey was conducted in May and June of 2003. It was mailed to all current members of the Minnesota Christmas Tree Association plus all other known Christmas tree growers. A second mailing was sent to growers who did not respond to the first mailing and phone calls were made to all who did not respond to the second mailing. Responses were received from 62% of those surveyed.

### **Do you grow Christmas trees in Minnesota?**

Yes	52%	70/134
No	10%	14/134
No response	37%	50/134

**The following data was collected from the 134 growers who responded to the survey. *It is important to note that we did not estimate answers for non-respondents. Therefore, this survey does not provide a quantitative summary for the industry. However, it does provide a representative sample of growers, their location and their inventory by species.***

### **Acres of Christmas trees being grown by the 134 respondents as of Jan. 2003:**

2,534 acres

### **Counties with active Christmas tree production:**

Chisago 8	Wright 3	Beltrami	Pope
Sherburne 7	Carlton 2	Brown	Scott
Isanti 6	Cass 2	Dodge	Wabasha
Itasca 6	Hubbard 2	Douglas	Sterns
Washington 6	Kanbec 2	Goodhue	Todd
Aitkin 4	Pine 2	Hennepin	Morrison
St. Louis 4	Ottertall 2	Houston	Roseau
Anoka 3	Dakota 2	LeSueur	
Benton 3	Carver	Meeker	

**Trees harvested in Minnesota by survey respondents:**

2000: 91,606 trees  
 2001: 90,346 trees  
 2002: 112,054 trees

**Projection of future harvests in Minnesota by survey respondents:**

2003: 106,390 trees  
 2004: 98,730 trees  
 2005: 102,200 trees

**Traditional Minnesota trees by variety and age:**

<b>VARIETY</b>	<b>0 – 5 YEARS OLD</b>	<b>6 – 10 YEARS OLD</b>	<b>11 YEARS &amp; OLDER</b>	<b>TOTAL</b>
Balsam fir	198,900	267,290	110,380	<b>576,570</b>
Scotch pine	74,735	225,610	26,500	<b>326,845</b>
Fraser fir	132,150	59,050	12,375	<b>203,575</b>
Colorado spruce	44,975	93,875	42,405	<b>181,255</b>
White pine	77,175	81,855	15,720	<b>174,750</b>
White spruce	24,250	49,175	36,475	<b>109,900</b>
Norway pine	9,195	26,660	21,650	<b>57,505</b>
Black Hills spruce	22,125	13,900	3,250	<b>39,275</b>
<b>TOTAL</b>	<b>583,505</b>	<b>817,415</b>	<b>268,755</b>	<b>1,669,675</b>

**Exotic trees by variety and age:**

<b>EXOTIC VARIETY</b>	<b>0 – 5 YEARS OLD</b>	<b>6 – 10 YEARS OLD</b>	<b>11 YEARS &amp; OLDER</b>	<b>TOTAL</b>
Canaan fir	30,000	58,985	3,300	<b>92,285</b>
Meyer spruce	18,400	100	0	<b>18,500</b>
Korean fir	9,200	0	0	<b>9,200</b>
Concolor fir	5,220	600	0	<b>5,820</b>
Nikko fir	2,650	0	0	<b>2,650</b>
Bracted Balsam	2,300	0	0	<b>2,300</b>
Corkbark fir	1,410	100	0	<b>1,510</b>
<b>TOTAL</b>	<b>69,180</b>	<b>59,785</b>	<b>3,300</b>	<b>132,265</b>

*Of the 1,801,940 Christmas trees currently being grown by survey respondents, 7.3% are exotic varieties.*

### **Comments from respondents about growing exotic varieties:**

- Canaan fir buds later than Balsam and Fraser. It requires marketing, once the consumer uses it for 2 or 3 years, they will ask for it in the future.
- Canaan and Meyer are growing good
- Canaan are doing OK
- Canaan Fir's have done very well, Korean look great, Meyer???
- Canaan looking very good. Meyer and Korean appear to be struggling with the weather patterns. Long spells of drought and or wet seasons ???
- Canaan looks good but winter burns. Concolor probably will not make it. Meyers very slow growing--very slow!
- Canaan not as nice as Fraser, and not as full as Balsam
- Concolor and Corkbark very poor survival after 5 years = 25% Nordmann = 0% after 1 year
- Korean have good survival after 1 yr.
- I do not promote exotic species. Balsam Fir is my choice. It grows great in Minnesota, it is a profitable product and my customers prefer this variety. I have tried Meyer Spruce as a source of a landscape tree.
- Like Canaan, Korean, Nikko and Meyer they are all slower growing than your natural balsam. Concolor winter burns and Corkbark doesn't do good for me.
- Meyer have been doing well, Korean and Canaan are OK
- Meyer spruce is doing well but was planted two years ago. Canaan Fir--has winter-burn
- Meyers look good after 5 years in Duluth area
- Only have a few Canaan fir and there seems to be a significant problem with a lot of red colored trees due likely to dry last fall, cold winter
- Plans on planting 2400 Canaan Fir this year-- the grower tells me that the tree does well in this area-- have had problems with Fraser Fir.
- Planted 200 exotics in 2001 and 2002 and none survived.
- The Canaan is doing very well. Definitely a late braking bud tree. First two years it didn't do much then it took off.
- Too early to tell, Chinese spruce did work
- Tree are too young to tell yet
- We are part of the MN Exotic Conifer study. Recent info available through the MN Christmas tree assn.
- Winter burn on Canaan 2002-2003

**Wreaths made and sold by survey respondents by year:**

2000: 10,543  
2001: 10,143  
2002: 11,460

**Wreaths projected to be made and sold by survey respondents by year:**

2003: 14,535  
2004: 16,840  
2005: 20,355

**The number of Christmas trees you sold in 2002**

Wholesale sales	67,953
Choose and Cut	29,326
Retail lot in Minnesota	9,767
Retail lot outside Minnesota	1,475
Trees harvested, but not sold	4,505

**Christmas trees grown by you that you anticipate selling in 2003**

Wholesale sales	58,275
Choose and Cut	29,490
Retail lot in Minnesota	10,125
Retail lot outside Minnesota	1,840

**Do you advertise your Christmas trees?**

Yes 71% (50/70)  
No 29% (20/70)

**If yes, what methods do you use to advertise?**

60% Newspaper 42/70  
57% Road signs 40/70  
33% Direct mail to current customers 23/70  
33% Internet 23/70  
19% Direct mail to potential customers 13/70  
14% Radio 10/70  
4% Television 3/70  
6% Newsletter 4/70  
3% Billboards 2/70

**Do you label your Christmas trees with your farm's name or logo?**

Yes	13%	9/70
No	87%	61/70

**WHOLESALE: Have you observed an increase or decrease in your wholesale Christmas tree business in the past three years?**

Decrease	19%	13/70
Do not wholesale	37%	26/70
Increase	14%	10/70
No change	11%	8/70
No response	19%	13/70

**Reasons for the decrease in your wholesale market:**

- Long time customers have been ordering fewer and fewer trees each year. Basically it increased competition from all the big chains such as Home Depot, Mennards, Wal-mart etc. Even smaller discount stores and some gasoline stations have been getting into Christmas tree sales.
- Large discount sales
- Less demand for pine
- Retail lots are going out of business. Profit margins are being squeezed. When lot owners are not making required profits, they close shop.
- Flood of balsam firs into the market
- Too many growers
- Some farmers are dumping trees on the market
- Competition from artificial trees, raised prices to cover costs
- Chain store competition. Poor economic conditions in the area, not enough profit to expand in this business
- Slowly getting out of selling trees planting to let them grow
- Prices falling

**Reasons for the increase in your wholesale market:**

- More buyers
- Favorable growing conditions to produce very good quality trees.
- Time, advertising on internet, word of mouth
- Supply of trees has decreased
- Trees to sell
- Better advertising
- Advertising and return customers
- Larger Number of mature trees on the farm
- Lack of other local growers in the business
- More trees ready to sell whole sale

**CHOOSE AND CUT: In your business have you observed an increase or decrease in choose and cut sales in the past three years?**

No change	17%	12/70
Increase	37%	26/70
Decrease	14%	10/70
No choose and cut	10%	7/70
No response	21%	15/70

**Reasons for the decrease in your choose and cut sales:**

- Short supply--the market is strong. 1) people enjoy the experience 2) people are paranoid about when the tree was cut
- Too many choose and cut farms nearby-- They sell trees too cheap. The last 3 winters have been mild and people will go into the woods and steal a tree off County, State and Industry Lands.
- Large discount Sales
- Reduced inventory, I did not plant enough trees each year to keep up with demand in Dakota County.
- Too many growers in area
- Not enough short needle trees customers want to cut Balsam or Fraser
- Poor economy

**Reasons for the increase in your choose and cut sales:**

- More people are getting their tree early and want the freshest tree possible.
- Good quality trees
- More experienced family
- Families want the experience, better quality trees
- People like our availability
- More people know we are here, word of mouth
- The trees are large enough to sell, and people enjoy cutting their own
- Word of mouth, more on farm activities, better trees, more selection at our farm, improved facilities, better service( credit card, faster check-out) 2 shakers, 2 balers and a concerned effort to help everyone quickly.
- Customers looking for the experience of cutting the tree as well as getting a fresher tree then can be purchased at a retail lot.
- Location-- retirement of competitor
- Word of mouth about the farm, newspaper ads
- More trees ready to harvest
- New building and gift shop, alternatives, advertising, word of mouth
- Nice trees Close to people who are purchasing trees
- Lack of local growers
- More trees to harvest
- Gradual word of mouth, great experience at farm, good quality trees

- More trees available on our farm
- Advertising and word of mouth
- Have promoted choose and cut more in the past few years
- population increase to my area
- More people are aware of us by reference and the MN Grown Website and brochure

**RETAIL: In your business have you observed an increase or decrease in the sales of Christmas trees directly to consumers at your retail lots in the past three years?**

No change	7%	5/70
Increase	16%	11/70
Decrease	14%	10/70
No retail lots	33%	23/70
No response	30%	21/70

**Reasons for the decrease in sales from your retail lots:**

- Good weather allows people to steal a tree from public land. Shorter season in 2002 3 weekends rather than 4. Poor economic conditions.
- Most lots don't store their trees properly. They store them on hot black top or inside a building at 70 degrees for the convenience of the customer
- Warm winters have allowed people to go a field and find their tree from some place other than the retailer. Lots of cars observed with definitely wild grown trees tied to the top or in the pick-up bed.
- Slight decrease. Aging population has caused consumers to choose no tree or artificial because of the extra work created by the real tree (pricing out the tree every year, setting it up and clean-up).
- People are more interested in cutting their own tree
- Increase in discount stores that sell trees in area. Warm weather--good road conditions to travel to choose and cut farms. Older customer base don't buy trees.
- Mild and dry winter people feel trees are dry before they are cut. People shop at discount stores or gas stations only to find dried out trees lying out. This causes buyers to get frustrated and buy artificial trees.
- Larger sales in choose and cut
- Some have moved to our farm. Seasonal absences- snow birds. 2002 poor economy actually hurt our town,
- Soft economy last 2 years

### **Reasons for the increase in sales from your retail lots:**

- Better quality trees
- More publicity on our part. The MN state and federal CT association publicizing Christmas trees, both on radio, newspaper and TV ads
- Quality trees at a fair price
- Population
- More sites and retail customers
- More trees are a reasonable cost. Return customers
- Families wanting to get back to the way when they were younger
- Less competition in the area. Have been in business for 38 years. Sell hand picked tree and sell only premium trees.

### **Based on your knowledge and experiences, what barriers and challenges do Christmas tree farmers encounter in selling their product?**

- Increased competition between growers, instead of focusing on customers who have had no tree or an artificial tree. Growers are competing for the same buyers. The extra effort and mess of using a real tree -- with the aging population, people are looking for convenience. 3) Financially sound suppliers of the artificial tree industry.
- Low cost trees sold by retailers like Home Depot and Mennards. Consumer belief that artificial trees are more environmentally correct
- Many people think that Christmas trees are harvested from the natural environment, thus using a real tree is bad. Real tree recycling may be adversely effected by local government cutbacks.
- Artificial trees cheaper and getting better looking
- Artificial trees, ban on real trees in apartments
- Buyers
- Cheap mass merchandisers (Mennards and Home Depot) costs up retail operation; easy to spend \$5/tree on lot rent, advertising. These large big box stores use trees for "loss leaders" and don't care. Property taxes escalating. Local fire marshal is out of line and unreasonable about "live" terms in public places -- restaurants, churches etc.
- Consumers think the price is too high. They don't realize how much work and money it takes to grow the trees.
- Convincing people that purchasing a real tree will last the holiday season
- Cost of advertising too much, competition from artificial trees
- Costs--labor costs too high to make a profit--small growers cannot pay workman's comp and insurance to make it pay
- Customers want to exceed the display time of their trees, so want a tree that will hold together for 6-8 weeks under varying conditions will be very difficult
- Diversity and quality
- Do not see any barriers--there will be more competition which will be good
- Fake tree market
- Fake trees

- Fake trees false opinion as good for the environment. Big lots -- Mennards, home depot sell below cost.
- Fake trees, needle loss, weather, insects and disease
- Flooded market
- Freshness of pre-cut trees
- Getting a high enough return to stay in the business chain store marketing -- trees can a loss leader to attract customers.
- Having the right tree that the customer wants in the field
- Having to compete with large discount sellers
- I am not a big enough grower to know of any major problems
- Inconvenience factor
- Insurance is too expensive now and getting worse. We need limits on law suits.
- Large amount of labor and time expense and need to charge higher price to compensate.
- Less time for even "traditional" activities. One holiday and 24 pressure days leading up to it. Great looking fake trees
- Limited market
- Limited time to do this, get word out
- Low prices, inferior product at lower prices
- People just don't seem to have the time to cut or buy a real tree. It's more convenient to dig out the old artificial one.
- Perception by consumers that Real Christmas Trees are 1. Fire hazard 2. Wasteful use of resource 3. messy in house 4. too much bother
- Plastic trees
- Price and quality
- Price is a problem-- dollar is tight for some people families especially those with children. Bad PR about C/T farms-- environment etc.
- Problem of people going out into state and national forests and cutting their own for free.
- Some farmers are dumping trees on the market
- Some potential customers have environmental concerns, but most concerned about "messiness" of real trees
- That plastic trees are good for the environment
- The consumer has less time-- difficult to squeeze in a trip to a farm, and even to find time/energy to set-up a tree. Mess of a real tree. Perceived fire danger, and rules against real trees in apts.
- The general public doesn't know the benefits of real trees. I think we are making an impact but we have a ways to go
- Time limitations of buyers
- We have to be careful in not selling our trees at too low of a price in our market
- We need to get the word out, talk to the world about planting trees and the environmental benefits. What about renewable products, recycling not much is ever seen around the growing and selling of trees it's a great story
- weather, remote location
- Weather chain store competition, length of season, consumer attitudes about environment, making it convenient
- You must learn by experience

## What changes do you see in your business over the next five years?

- A greater demand for trees and natural unsheared trees
- A little increase in sales because of more selection of trees
- Change in species for trees sold and a change in holiday traditions as the next generation becomes the primary purchasers
- Consumers interest in for type trees and less market for pines
- Customers going to smaller tree our size and shape will result in many wasted trees unless we can find greenery market
- Cutting back to retire
- Diversify to increase income from non-tree items. Increase the amenities and activities of tree shopping: things for kids to do on farm, unique extras for adults (live music, gift shop)
- Downsizing, increasing quality
- Flat sales, purchase experience (at C&C) or no time for an experience. Likely no tree at all or fake one.
- Focus on the Choose and Cut business. Eliminate the Wholesale market
- Going to go into timber production, hard to find help
- Hope to stay the same -- 20 yrs at same site. Customer base- blue collar- hardworking families. Quality trees around \$25--they like buying from a family tree farmer-- knowledge good service, we appreciate their business.
- Hopefully an increase in my selling price as supply of trees has decreased.
- I am retired and will be phasing out of business over the next two years
- I might have some saleable trees if the dry summers abate increased sales
- Leaning strongly to nursery trees and very little Christmas trees
- Less wholesale, more retail and choose and cut
- Little maybe more agri-tainment stuff
- Market is strong and seems to be increasing
- More demand
- More farmers and less lots
- More firs less pines-- more entertainment on the chose and cut.
- More sales due to more sites
- More service building connection with customers. Something must be done about high property taxes and land costs and more fake trees.
- Moving toward short needle trees
- None--we will not plant very many trees any more as we are slowly going out of business
- Planting more trees, buying a tree shaker, more advertising for customers.
- Pretty stable, small operation
- Prices up I hope
- Provide more customer activities
- Real trees are in position to increase due to change in national spirit and reduced holiday travel
- Slow decrease in sales

- We are working harder and seeing less at the end of the year. We will probably get smaller and do more of the work ourselves. Insurance liability and workers comp takes a lot of profit out of the business
- We need to diversify if we're going to survive
- We will be lucky to hold our own. I'm afraid the fake tree and people that don't put up a tree are gaining on the real people.
- Will retire from the business in 3 years

**What other comments or suggestions would you like to share concerning the growing and marketing of Christmas trees?**

- Add to your business to make it year round
- Allow real trees in public buildings
- Chain stores selling trees-- cost leader item- don't take care of them properly. Population getting older--they buy less trees. Stress that trees are a plus for the environment, not a negative.
- Christmas tree production is a hard business it's a unique person that will work this hard in adverse weather and end up earning such a small return. There are a lot of good tree growers not many rich tree growers.
- Christmas trees from out of state should be closely checked for Gypsy moth.
- Focus on information to tell the public about the benefits of the real tree industry. One of the visits to a middle school showed that 22 of the 27 students had an artificial tree in their home. Most families choose artificial because of the convenience, most families have parents who have limited time.
- Improve product and variety of trees--as in any business--control costs and do a good job to help the customer
- Labor will be hard to get. Have done most of the work myself, now I'm getting to old.
- Make it easy and fun to buy a real tree
- Make the small growers cost to membership in state and national a little cheaper to encourage small growers to keep growing and encourage membership
- MN Grown is essential to our industry. Offer advice tailored to our unique product (seasonal, long production cycle, bulky, non-returnable...) and for the services that individual growers could not afford or manage (directory, website, and media exposure for our product...)
- Need to get all MN tree growers to join MCTA and their efforts
- People that sell only trees (not wreaths, gifts, experiences, etc.) will be out of business.
- Quality trees sell themselves
- Raise quality trees. At least Mennards, Home Depot are keeping families in real trees. Hope glut will flush out.
- Tough way to make money, need tax break on land that grows trees
- Tree business is hard work and demanding. I enjoy seeing customers select a tree, going on a hayride and enjoying the animals in our petting zoo.
- We need to recuperate the market share by promotion and educating the consumer