

The Homeowner Market for . . .

Pacific Northwest Christmas Trees

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Miscellaneous Paper 122

November 1961

Agricultural Experiment Station

Oregon State University

Corvallis

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THE HOMEOWNER MARKET FOR PACIFIC
NORTHWEST CHRISTMAS TREES

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Christmas tree production in the Pacific Northwest is almost entirely for markets in the three Pacific coast states. Of the trees available in the three coast states, only 2% find their way to other states including those to Hawaii and Alaska. Washington uses a little over 1/2 million trees or 13% of the total, Oregon a little over 1/3 of a million or 8%, and California nearly 3 1/3 million trees or 77%. Total usage in 1957, including shipments from other states into California, is shown in Table 1. These figures are based on reports prepared by the Pacific Northwest Forest and Range Experiment Station, United States Forest Service, Portland; and the University of California Agricultural Extension Service at Berkeley.

Table 1. Sales of Christmas Trees in Washington, Oregon and California--1957.

	No. of Trees	Percent of Trees
Washington	565,000	13
Oregon	363,000	8
California	3,299,000	77
To other states	76,000	2
TOTAL	4,303,000	100

Total sales of trees appear to have increased over the past several years. With the steady increase in population on the coast, they will continue to increase if people continue to use trees at the same rate per family as they do now.

With California providing 3/4 of the market for Christmas trees on the Pacific coast, let's take a look at where they get their trees and where Oregon and Washington stand. Table 2 shows the sources of California trees in 1957 as reported by the University of California, Agricultural Extension Service. Washington provided about 1 1/3 million trees or 40%, Oregon a little over 1/2 million, California a little less than 1/2 million, and other states just

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159,000

under a million, a total of nearly 3 1/3 million trees. Among "other states" Montana ships in considerably more than Oregon, mostly Douglas-fir, and British Columbia ships in 1/2 to 2/3 as much as Oregon, also Douglas-fir. This species competes more directly with Washington production than that of Oregon where over 40% is true fir and pine.

Table 2. Sources of California Trees--1957.

	No. of Trees	Percent of Trees
Washington	1,319,000	40
Oregon	528,000	16
California	472,000	14
Other states	980,000	30
TOTAL	3,299,000	100

In order to successfully market their trees growers need to know what their competition is and also some of the characteristics of the market where they hope to sell their trees. To obtain information of this kind a marketing study was undertaken last year by the Oregon State University Experiment Station. Part of that survey consisted of telephone interviews immediately after Christmas with 1,060 families in four areas; the Seattle-Tacoma area in Washington, Portland with a few in the Eugene area in Oregon, the San Francisco Bay area, and all of Los Angeles County. These four areas represent a large majority of the population in the three states.

Home Use of Christmas Trees

The first questions dealt with the number of families having Christmas trees and the type of tree used. Table 3 gives some of the details. In the Washington and Oregon areas, approximately four families out of five had trees, while in the San Francisco Bay area and in Los Angeles County only 2/3 of the families had trees. While the use of manufactured or artificial trees has increased in the last year or two, most of the trees reported were, of course, fresh natural trees. A few homes reported two or more natural trees, varying from 3 1/2% in the San Francisco Bay area to 7% in the Portland-Eugene area.

Use of manufactured or artificial trees varied by area. In the Seattle-Tacoma area about 1 in 20 of those families with trees had manufactured trees. In the Portland-Eugene area the proportion was 1 in 10, in the San Francisco Bay area 1 in 6, and in Los Angeles County 1 in 5. A few had both natural and manufactured. In Los

Angeles County about 1 in 4 families having manufactured trees also had natural trees.

Table 3. Use of Christmas Trees by All Families--1960.

	Seattle- Tacoma	Portland- Eugene	San Francisco Bay	Los Angeles County
	%	%	%	%
With trees	79.0	81.5	66.2	66.6
With natural trees	75.5	75.3	57.7	56.4
Two or more natural trees	5.5	7.0	3.5	4.8
With manufactured trees	4.0	7.9	10.4	13.6
With both natural and manufactured trees	.5	1.8	1.9	3.5

Families With No Trees Give Reasons

With the large number of families not having Christmas trees, particularly in the California areas, it was thought important to learn, if possible, why. In the interview these families were invited to give the main reasons they did not have a Christmas tree. Table 4 lists the answers received, many people giving more than one reason. The most frequently given reason was that they were single persons or couples "alone." Nearly as many spent Christmas away from home, often with children having families of their own. Nearly 1/3 of the people gave one or both of these reasons. Only 4% said that Christmas trees were too expensive or that they could not afford one. It is possible that others felt that way but would not give price as a reason.

Where Homeowners Obtained Their Trees

Homeowners were asked the source of their trees; whether they were purchased from a temporary lot, an established business, or obtained from some other source. Their replies are summarized in Table 5. Temporary lots run by private individuals, scouts or other youth groups, and civic or charity groups provided 40% in the Seattle-Tacoma area, 45% in the Portland-Eugene area, 56% in the San Francisco Bay area and 45% in Los Angeles County.

In Washington a peculiar situation was found among established businesses where department and variety stores accounted for over 18% of the total trees sold. In Washington and Oregon markets and groceries accounted for almost 10% and in Los Angeles County for

Table 4. Reasons Given by Families Having No Trees.

	Seattle- Tacoma	Portland- Eugene	San Francisco Bay	Los Angeles County
	%	%	%	%
Single persons or couples "alone"	36	24	32	37
Spent Christmas away from home	31	48	24	30
No children	14	12	27	10
Religion	7	7	14	20
Too much bother or too busy	17	14	11	15
Too old	7	7	9	7
Illness	12	7	9	5
Living quarters too small	19	2	--	7
Too expensive can't afford	2	2	9	4
Other	10	10	15	8
No reason	--	2	2	1

Table 5. Sources From Which Homeowners Obtained Their Tree.

	Seattle- Tacoma	Portland- Eugene	San Francisco Bay	Los Angeles County
	%	%	%	%
Lot by itself, private	24	33	46	38
Scouts and other youth groups	13	5	3	5
Other civic and charity groups	3	7	7	12
Markets and groceries	5	3	10	23
Department and variety stores	18	--	5	4
Garden stores and nurseries	3	5	5	4
Armed forces connected stores	--	--	1	2
Other miscellaneous businesses	5	6	6	2
Gift, source unknown	9	19	5	2
Cut own tree	15	12	5	1
Source unknown	5	10	7	7
TOTAL	100	100	100	100

over 23%. In Washington and Oregon many trees were received as gifts or were cut by members of the family but this was not found as frequently in the San Francisco Bay area and in Los Angeles County.

Date of Purchase

The survey asked the date on which people obtained their trees. This is important from the standpoint of timing deliveries to the market. Past experience in some markets has shown that where Christmas falls on Sunday, peak purchases will be made on the Saturday and Sunday prior to this week end and that sales will be relatively light on the second week end before Christmas. Replies as shown in Figure 1 bear this out. This pattern cannot be taken as typical for all years because when Christmas falls in the middle of the week, sales tend to spread over the two week ends before Christmas with fair sales in the period between.

In 1960, at least, homeowners made their purchases a little earlier in the California areas than in the Washington and Oregon areas. In the California areas fairly substantial purchases were made on the week end of December 10 and 11 and the week days following while purchases dropped off sharply after Sunday, December 18. The opposite was found in the Washington and Oregon areas where purchases were relatively light on December 10 and 11 but much heavier during the week following December 18. It would appear that families in Washington and Oregon did not get the Christmas spirit quite as early as their neighbors to the south.

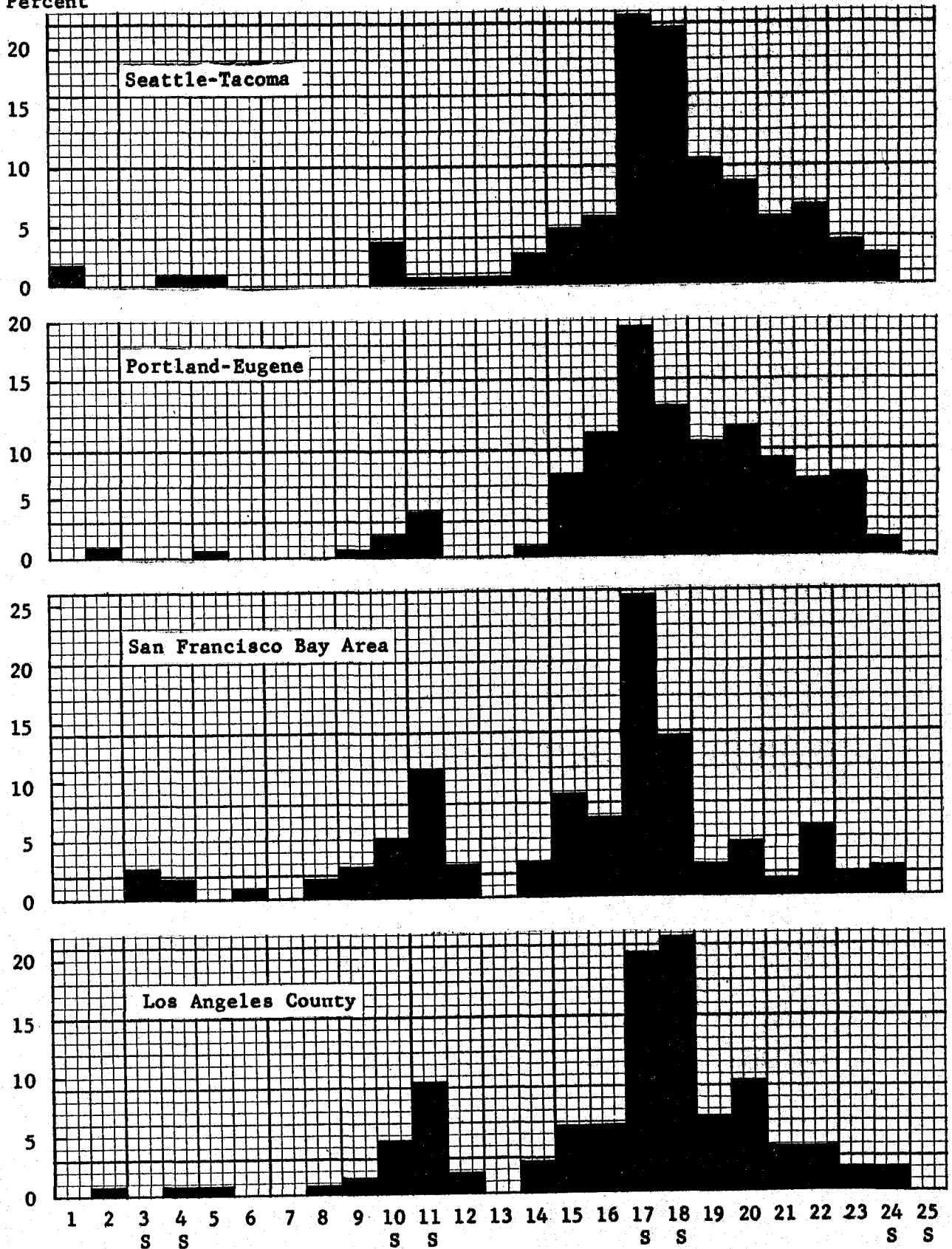
Keeping Trees Fresh a Problem

The date on which most people bought their trees is important in view of the early date retailers reported they had stocked their lots. Many dealers in the Los Angeles market bought trees once only in the early part of December, many from December 4 to December 9. If a large part of those trees stood on lots in clear, warm weather until the week end of December 17 and 18, they were bound to be dry. Experiences are reported of people in southern California who buy trees, bring them home, and within a few days the needles have fallen off. With the comparative high prices of natural trees and with a few experiences of this kind it is a small wonder that many people are turning to manufactured trees. There is real need for a merchandising plan that will enable retailers to ~~set up their display~~ with a minimum number of trees and then replenish their supply with fresh trees through the selling season. Freshness may be one advantage chain groceries and markets have when they are able to have frequent replacements trucked in from central supply sources.

In the Bay area there was even more of a tendency for the lots to stock up early, some even in the last days of November, although the weather was not as warm and drying there as in the Los Angeles area.

Figure 1. Dates of Family Christmas Tree Purchases--December, 1960

Percent



Date (December, 1960)

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The problem of trees drying and needles falling may partially account for the larger number of flocked and painted trees in the Los Angeles area compared to the markets further north. This treatment helps hold the needles and provides a certain amount of fire proofing. Many people seem willing to pay the additional cost, although this additional cost makes manufactured trees more competitive.

Shape and Type of Tree Preferred

Part of the questions had to do with the kind of tree people prefer. As to shape of tree, they were asked whether they preferred a slender tree, a wide tree, or one in-between. Table 6 summarizes the answers they gave.

Table 6. Shape of Tree Preferred.

	Seattle- Tacoma	Portland- Eugene	San Francisco Bay	Los Angeles County
	%	%	%	%
Slender	10	7	3	5
Wide	52	32	43	41
In-between	36	57	49	52
No preference	2	4	5	2

A small percent indicated they preferred a slender tree ranging from 3% in the Bay area to 10% in Washington. From 32% to 52% said they preferred a wide tree while from 36% to 57% preferred an "in-between" tree. What stands out, however, is that from 88% in Washington to 93% in Los Angeles preferred either a wide or in-between tree.

Similarly, they were asked their preferences as to density or fullness--whether they preferred a tree that was very dense, moderately dense, or open branched. Their preferences are shown in Table 7.

Preference for open-branched trees varied from 11% in Washington to 18% in the Bay area. In the four areas, from 75 to 86% preferred either a moderately dense or a very dense tree. It should be remembered, however, that preferences expressed as to shape or density might not represent the tree they would buy if it meant a higher cost. It does show that while there is a market for good slender or open-branched trees, most people given a choice will take a wider, fairly dense or "full" tree.

Table 7. Density or Fullness Preferred.

	Seattle- Tacoma	Portland- Eugene	San Francisco Bay	Los Angeles County
	%	%	%	%
Very dense	46	28	35	35
Moderately dense	40	52	41	46
Open branched	11	14	18	16
No preference	3	6	6	3

Species of Family Christmas Trees--1960

Answers as to species of tree were often uncertain. Then a question as to length of needle usually gave at least a partial classification. "Long needle" was assumed to be one of the pines and "short needle" one of the firs. While purchasers of "Silver Tips" or Red Fir or White Fir seemed aware of the species, perhaps because of the prices they paid, it is likely that a few of these trees may have been reported just "fir." Table 8 gives the distribution of species. Where Douglas-fir predominated in the northern areas "Silver Tip," White Fir, and the pines were frequently reported in California, especially in the San Francisco Bay area.

Table 8. Species of Family Christmas Trees--1960.

	Seattle- Tacoma	Portland- Eugene	San Francisco Bay	Los Angeles County
	%	%	%	%
Douglas-fir, Fir, or short needled trees	76	86	36	54
"Silver Tip" or Red Fir	--	--	12	11
White Fir	--	3	11	3
Spruce	4	2	5	5
Pine or long needled trees	17	4	27	17
Other	2	1	1	--
Don't know	1	4	8	10
TOTAL	100	100	100	100

Size of Christmas Trees Families Purchased--1960

The size of tree homeowners reported varied from 1 foot to 11 but averaged about 5 feet in the San Francisco Bay area and 5 1/2 feet in the other areas. Six feet was most common in all areas with sizes under 6 feet being somewhat more numerous than those over. Distribution by size is shown in Table 9.

Table 9. Size of Family Christmas Trees--1960.

	Seattle- Tacoma	Portland- Eugene	San Francisco Bay	Los Angeles County
Size in Feet	%	%	%	%
2	4	5	7	5
3	4	9	10	7
4	14	17	22	17
5	21	14	19	20
6	33	32	26	30
7	10	10	9	10
8	10	10	5	9
9	2	1	1	1
10	1	2	1	1
11	1	--	--	--
TOTAL	100	100	100	100

Prices Paid for Christmas Trees

A comparison of prices paid in the four areas can only be approximated as prices are tied in with species, size of tree, quality, and type of retail outlet. A rough idea can be obtained from the average of prices shown in Table 10 although in some species, a limited number of trees are represented.

Painted and Flocked Trees

These trees were found in many lots, prominently displayed to attract passing traffic. Family use varied. They were reported in 1 in 16 homes in the Seattle-Tacoma area, 1 in 11 homes in the Portland-Eugene area, 1 in 7 in the San Francisco Bay area, and 1 in 9 in Los Angeles County.

Flocked trees, "trees with a fluffy coating," outnumbered painted trees 2 to 1 in the Seattle-Tacoma and Los Angeles areas

but painted trees were in large majority in the Portland-Eugene and San Francisco Bay area.

Prices ranged from essentially the same as for natural green trees in the Seattle-Tacoma area to \$1.36 per tree or 27 cents per foot more in the Portland-Eugene area, \$2.74 per tree or 58 cents per foot more in the San Francisco Bay area and \$3.42 per tree or 60 cents per foot more in Los Angeles County. Sizes ranged about the same as natural green trees or an average of about 5 1/2 feet.

Table 10. Average Prices Paid for Family Christmas Trees--1960.

	Seattle- Tacoma	Portland- Eugene	San Francisco Bay	Los Angeles County
All species	\$2.11	\$3.37	\$4.83	\$4.90
Douglas-fir, Fir, or short needled trees	2.02	3.46	4.80	4.49
Silver Tip or Red Fir	--	--	5.74	7.45
White Fir	--	2.95	4.47	6.88
Pine or long needled trees	2.01	3.44	4.40	4.93
Spruce	3.18	2.50	5.62	5.56

General Observations

The use of Douglas-fir appears to be increasing due to the improvement in quality and comparatively moderate price of this species. The proportion of cultured natural trees or "farmed" trees reaching the market is becoming larger each year and within a few years could largely replace the natural or "wild" tree.

There was some demand for pine according to dealers up and down the coast but this appeared to be limited. One car of excellent quality Scotch Pine was brought into the Los Angeles market last fall but failed to sell well. Plantation growers who can produce a limited amount of Lodgepole or Shore Pine or Scotch Pine of high quality and at moderate cost may find a good market for these species.

Small growers may find local markets their best outlet for limited quantities. But, local markets can easily be over supplied and then larger and more distant markets must be turned to as volume increases.

In selling in distant markets wholesale outlets will be needed. Individual retail lot operators are difficult to deal with. In California in 1960 two-thirds of them were new in the game, operating a lot for the first time. The turnover from year to year is terrific. In addition to being inexperienced they are quite often poorly financed. A good local wholesaler can advise retailers on setting up a lot, on proper stocking and selling, and can extend credit where warranted.

Individual growers or a number of growers thinking of marketing their trees together, need to consider several things.

First there must be a standardization of product. This means some form of grading or specifications so buyers and sellers can communicate. Second, there must be concentration of supplies of trees to get sufficient volume to interest buyers. Third, to build a market there must be a dependable supply, not only this year but in future years. The seller must build a reputation of being able to deliver the quality and quantity specified when and where it is wanted.

And lastly, quality is all-important. By quality is meant the shape, the fullness, and the freshness of the tree. It costs just as much to handle, ship, and sell poor trees as good ones. Why not produce a tree that will sell and leave the bad trees in the woods? There will be a better chance for a profit and the buying public will be better satisfied. Natural trees will be bought for the beauty and outdoor fragrance they bring into the home at Christmas time. Again, everything possible should be done to give people a fresh tree.