



# Christmas trees: Is this crop for you?

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This publication provides general information about commercial Christmas tree production in Idaho and is aimed at prospective growers. Additional information is available from the University of Idaho Cooperative Extension System office in your county. Particularly helpful publications are listed in the "For further reading" section at the end of this article.

Christmas tree production is a long-established business in the Pacific Northwest. Coastal Oregon and Washington produce millions of trees each year for local and export markets. Idaho and the Inland Northwest also have a long history of commercial Christmas tree production. Farms range from less than an acre to a thousand acres or more. Although there are small operations throughout the state, most larger Christmas tree farms are located in central and northern Idaho where precipitation is higher than in southern Idaho. The reason for this is that Christmas trees are usually grown without irrigation.

Commercial success depends largely on selecting and preparing an excellent site and planting the right crop. Pines, Douglas-fir, true firs, and spruces are the species typically grown as Christmas trees in the Northwest. These trees perform best on well-drained soil that has good water-holding capacity. You'll need at least 18 inches of rooting depth above hardpans and high water tables, and 24 to 36 inches is better. Heavy clay soils or those that are poorly drained for any reason increase the risk of root rot and other problems. Sandy or otherwise droughty sites make production difficult, especially with fir trees. On droughty sites you may need to irrigate or consider growing another crop. Some Christmas trees can be produced on the alkaline soils (pH greater than 7) common in southern Idaho, but most species perform best on the slightly acid to neutral soils in central and

northern Idaho. While nutrition is important, many Christmas tree species will tolerate less fertile soils than nursery or other field crops.

## *Management*

Growing Christmas trees may sound easy, but the fact is that producing quality trees always requires intensive management. Don't count on planting seedlings and coming back 8 to 10 years later to harvest the trees and make a profit. You need to know the physiological needs of your crop, proper cultural practices, and how to identify and control pests, diseases, and weeds.

Christmas tree production requires a lot of labor and often a lot of capital. Once you get the trees planted, you'll be busy controlling pests, diseases, and weeds. Beginning 2 to 4 years after planting, you must prune or shear each tree yearly. If you're late shearing or miss a year, the trees can develop large gaps in the foliage that make them difficult or impossible to sell. Some Scotch pine trees turn yellow in the fall as part of their winter acclimation. To make these trees marketable, growers must spray each tree with special green paint. Better managers use seedlings grown from trees that are genetically resistant to yellowing.

If your business is going to be successful, you must run it like a business. You'll have to understand financing, cash flow, business management, and marketing. Attention to detail and meticulous book-keeping are critical. You'll need to understand and comply with state regulations for producing and marketing Christmas trees. The idea of growing Christmas trees is very appealing, but the process is anything but romantic.



## Costs and returns

Establishing a commercial Christmas tree farm can be expensive. Before purchasing land, equipment, or plants, you should develop a budget to ensure you have enough resources to successfully establish and operate a farm. Christmas trees take from 6 to 12 years to mature, depending on size and species. While your crop is growing, you'll have to cover the cost of establishment and production using other sources of funds. Also, plan on having an occasional crop failure. Growers have spent 8 years or more growing the trees only to have them damaged or destroyed by pests, diseases, or bad weather. Besides the cost of land, you'll need tractors and equipment to plant, cultivate, and harvest your trees. You may also need fences and storage buildings. Adding to production expenses are the steadily increasing costs associated with worker protection and pesticide regulations.

University of Idaho enterprise budgets are available for costs of production of Scotch pine and grand fir Christmas trees (see "For further reading" below). If you already own the land and part of the equipment, plan on spending approximately \$10.00 per Scotch pine and \$12.50 per grand fir for production and harvesting. As this publication is being written, Scotch pines are bringing in wholesale prices of about \$10.00. Grand fir are presently more popular, and many wholesale growers are receiving between \$15 and \$20 per tree. An average plantation produces around 1000 marketable trees per acre.

## Marketing

Christmas tree farming has become less profitable as the market for real trees has declined and costs of production have increased faster than retail prices. Between 10 and 15 years ago, many people began growing Christmas trees thinking they would get rich quickly and easily. As a result, the market during the early 1990s was flooded with trees.

In addition, artificial trees have captured a large share of the market because of their lifelike appearance, long life, and convenience. They are likely to increase their market share. In response to the sagging market and decreasing profitability, many Christmas tree growers throughout the United States are choosing to grow other crops or get out of farming.

During a recent study, researchers from the University of Idaho examined the barriers to establishing and operating specialty farms. We found the single greatest challenge to be marketing. Obtaining capital to start and run an operation came next, followed by a shortage of skilled labor for crop maintenance and harvest.

Marketing is an ongoing process of research, forecasting, and analysis. You should begin marketing before you plant your trees. You must select a tree variety that you can grow and for which there is demand. Consumer tastes are fickle and change more rapidly than growers can change their crops. Pines were once very popular for Christmas trees but were largely displaced by Douglas-fir. Fraser, grand, concolor, balsam, and other true firs are now taking market shares from Douglas-firs. No matter what else you do, if you can't sell your trees at a profit, your business will not succeed.

Research how and where you will sell your trees because these decisions will influence your choice of location and varieties. If you plan to direct-market to retail customers, your farm must be easily accessible and located close to a population center. If you plan to sell to wholesale buyers, you have more flexibility in site selection and may want to specialize in growing one or two species.

You must also decide if you have the resources and skills necessary to produce a high-quality crop and get it to market at a competitive price. During this step, you should use an enterprise budget to project expenses, income, and cash flow. If you have limited farming experience, you might want to hire a farm manager, at least on a part-time basis, to manage the day-to-day operations. As you gain experience and skill in your crop, you can assume more responsibility in producing it.

In regard to selling, you'll have to identify and contact prospective customers and convince them they should buy trees from you rather than someone else. Overall, while there are still profitable opportunities for Christmas tree growers, caution is certainly indicated.

**Direct marketing** — Christmas trees lend themselves to choose-and-cut and local tree lot sales. Strictly retail Christmas tree operations are typically small, family owned and operated farms. With choose-and-cut and retail lots, you have many opportunities to increase your profits by providing sleigh rides, boughs and/or wreaths, tree stands, flocking, ornaments, and other products and services. Many people who cut their own trees do so because it's a family tradition or part of a family outing. Providing your customers with a memorable recreational experience, rather than simply a tree, will boost your sales. You might also get an edge on competitors by offering to take the trees back after Christmas to save your customers disposal problems. You can chip the trees and use the mulch on your farm or sell it to hobby gardeners. For direct retail sales, provide a variety of trees, including pines, firs, and perhaps a few spruces. Quality is critical!

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**Wholesale marketing** — Large-scale Christmas tree farms sell their trees to brokers, who then sell the trees to retail lot operators. In the fall, trees destined for other states are inspected to ensure that they meet health standards and can legally be shipped. Beginning as early as October, the trees are cut, and each tree tightly wrapped with string or mesh. The trees are sorted according to species and size and stored in a cool location to await shipping. By the first week in December, most growers will have shipped out the last of their trees. Quality and uniformity are even more important when selling trees to brokers than when selling directly to consumers. You'll have to meet quality standards in terms of size, shape, lack of gaps in the foliage, straight trunks, and so on. Successful wholesale producers often have contracts to sell their trees a year or more in advance.

## Risks

Weather plays a major role in Christmas tree production. Severe winter temperatures can damage or kill a crop. Hot, dry conditions during summer can severely damage the trees, as can hot, dry weather during and after harvest. Early snows make harvesting and shipping difficult. Since Christmas trees are strictly ornamental, their appearance must be virtually perfect. Trees damaged by pests, diseases, environmental stress, or poor growing techniques may be impossible to sell.

Labor, marketing, and transportation represent risks as well. A labor or trucking strike can leave your trees sitting in the field or on a truck. Christmas trees require frequent care and can be ruined by careless shearing, fertilization, or other practices. Overproduction within the industry can cut into your sales and profit. A species that is popular when you plant may no longer be in demand when your trees are ready for harvest. Artificial trees are likely to continue to capture a share of the market.

Minimize your risks. Planning and marketing well in advance will reduce risks associated with harvesting, transporting, and selling your trees. Proper site and species selection, site preparation, and diligence in carrying out cultural operations will reduce crop losses.

## You still want to grow Christmas trees?

Okay, you still want to grow Christmas trees? So what do you do now. First, start small. A major reason that new specialty farmers fail is that they often start with

too much acreage and too little knowledge and experience. If you lack experience with *commercial* Christmas tree production, start with no more than about 1 acre.

After you gain some commercial experience, if you still consider Christmas tree production feasible and desirable, you will probably have developed the skills you need to successfully manage a larger acreage. You may also find that farming isn't for you. It's better to find that out with a small investment than a large one.

Diversification into Christmas trees from another crop by an experienced farmer who already owns much of the needed equipment is more likely to be successful than starting from scratch. However, the need to start small and gain experience with Christmas trees before becoming a full-scale operation is still critical.

## For further reading

*Christmas Tree Marketing*. CIS 896.

*Developing High Quality True Fir Christmas Trees*. NW 226.

*Developing Sheared Douglas-fir Christmas Trees*. PNW 227.

*Grand Fir Christmas Trees: 1991 Production Costs in Northern Idaho*. CIS 948.

*Publications and Organizations for Christmas Tree Producers*. CIS 951.

*Scotch Pine Christmas Trees: 1991 Production Costs in Northern Idaho*. CIS 947.

*Specialty Farming in Idaho: Is it for me?* EXT 743.

*Specialty Farming in Idaho: Selecting a Site*. EXT 744.

*Weed Control in Christmas Trees*. PNW 219

*Your Christmas Tree*. CIS 141.

The above publications and others dealing with horticulture, general farming, and business management are available from the University of Idaho College of Agriculture. To find out about these publications, contact the University of Idaho Cooperative Extension System office in your county or write to Agricultural Publications, Idaho Street, University of Idaho, Moscow, ID 83844-2240 or call (208) 885-7982.

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