

Christmas Tree Marketing in Tucson . . .

Inferences for the Arizona Market

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For many years and at considerable shipping expense, most Christmas trees have been imported into Arizona. Interest in raising Christmas trees has been increasing. A few unsuccessful attempts to establish conifer plantations in Arizona have been made from time to time. Arizona was one of the last states to create a state forestry department and only since 1970 have funds been obtained from the federal government, through the Clark-McNary Act of 1924 (Sec. 4), to provide forest tree planting stock at cost to its citizens. During the fall

of the Tucson Christmas tree market was made in the 1971 season. Tucson is widely used by national companies to test-market new products because of its size, wide diversification of people and its isolation from other market areas.

A complete census of Tucson Christmas tree lots was made. Eighty-five separate tree lots were found in the city between December 5th and 10th. Realizing the short time span that the lots would be available for a visit and knowing the operators would be busy during the selling season, only a few

ager could be located later to answer a post-season questionnaire. A second interview, requiring about thirty minutes, partly structured and partly open-ended, was completed two months after Christmas with the 74 (of the 85) operators who could be located. Supplementary information as well as data for cross-checking or adjusting any extrapolations was obtained from Christmas tree wholesalers and U. S. Forest Service sources.

The eighty-five separate tree lot locations in Tucson were operated by 26 organizations or owners, which in turn could be placed in one of three categories: chain stores (53 lots), non-profit organizations such as church groups, U. of A. Forestry Club, etc. (27 lots) and individual operators (5 lots).

The inventory of all trees on all lots indicated that of the 49,000 trees shipped to the 85 Tucson retail lots, only 5½ percent were not sold. If one assumes that only customers within the city limits purchased at the 85 lots, the ratio of trees to people is one tree per 5.95 individuals. If, more likely, virtually all of the population in the greater Tucson area bought trees at the 85 lots, the ratio drops to one tree per 7.76 people.

Of the 49,000 trees offered for sale, almost 17,000 came from Michigan and Wisconsin and over 20,000 came from Washington, Oregon, and Montana (for percentages see Table 1). Origin of most of the remaining trees was unknown but, judging by species, appearance and known wholesaler, they probably came from the same areas as the 37,000 with identified sources. Special care was taken in the study to count those grown in Arizona;

Table 1. Means of transportation for Christmas trees of differing origin shipped into Tucson in 1971.

Origin of	Approx. Distance in miles	Truck	Means of transportation			Total
			R. R.	Piggy-back percent	Unknown	
Michigan and Wisconsin	1900	12.4	16.6	4.4	—	33.4
Oregon and Washington	1500	12.4	9.6	0.0	—	22.0
Montana	1200	19.3	0.0	0.0	—	19.3
Texas and Colorado	900	0.5	0.0	0.0	—	0.5
Arizona	150	1.5	0.0	0.0	—	1.5
Unknown	—	—	—	—	23.3	23.3
Total		46.1	26.2	4.4	23.3	100.0

and winter of 1971-72, publicity about the availability of this planting stock renewed interest in the possibility of raising Christmas trees in Arizona.

Potential Arizona growers of Christmas tree plantations need to realize that this is a high risk venture. Before undertaking the establishment of such coniferous plantations, some knowledge of markets and marketing would be of value. To provide this information, a cross-section descriptive study

minutes were allocated for an initial interview with each manager. Information collected during this first contact included pricing methods and price information, tree source, wholesaler, geographic origin of the tree, species offered for sale, the approximate number of trees bought or that would be bought and where the man-

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of the total, only 731 (or 1½ percent) were local trees. Almost half of the trees were brought to Tucson by truck, one-fourth by rail and one-fourth by unidentified means. One shipment, obviously a trial run to test an innovation in Christmas tree shipping, came piggy-back (loaded truck trailer shipped by rail) from Michigan.

Eighty-five percent of the 49,000 trees brought into Tucson were Scotch pine and Douglas-fir. The remaining 15 percent covered more than a dozen other species (Table 2). Quality as judged by color, needle length, density, shape and height was most important to purchasers. Trees that did not sell were those of poor quality (mostly small unsheared Douglas-fir) except for some Austrian pine. These specimens were too tall for most homes, 12 to 15 feet, and there were evidently too many of these expensive trees for the limited market such as bank lobbies, etc. Douglas-fir, sheared a year or so prior to cutting, to aesthetically fill out and shape the form, was the only offering to completely sell out before Christmas. All the Scotch pine had been sheared but varied more in quality and were generally more expensive than other species.

Prices in 1971 in Tucson for Christmas trees ranged from 50 cents per foot for small Douglas-fir up to \$3.00 per foot for the best specimens of Colorado blue spruce and sheared Scotch pine. Most families purchasing



Figure 1. The President and Vice President of the student Forestry Club present a Christmas tree to University of Arizona President John P. Schaefer. This tree is a typical plantation raised and sheared Scotch pine, the preferred species for Tucsonans in 1971. It was shipped from Michigan.

a tree paid between \$5.00 and \$10.00 for it. Retail mark-up over wholesale cost averaged close to 100 percent. Shipping costs averaged about one-fourth of the wholesale cost of the trees. Only 7 Christmas tree lots offered information about profit and indicated that net income averaged 26 percent of sales. Of the 74 Christmas tree retailers polled after the season, 19 said they were discontinuing the business while 14 said they planned to expand.

While the study was limited to the Tucson Christmas tree market in 1971, the authors thought it would be of value to extrapolate the Tucson data to estimate the 1971 Arizona Christmas tree market. If large corporations often use Tucson as a gauge for na-

tional markets, certainly Tucson is an even better indicator for Arizona markets. As in any extrapolation, proper caveats should be observed. Of the 49,000 Christmas trees brought into Tucson, 46,500 were sold. If the high and low ratios of tree to persons (1:5.95 and 1:7.76) are used to extrapolate for estimates of the number of Christmas trees sold in Arizona, the range is from 310,000 to 240,000. The latter estimate is judged to be closer to the actual number of trees retailed in the state in 1971. With a mean price for a Christmas tree ranging from \$5.00 to \$10.00, an estimate of the money Arizona consumers paid for Christmas trees in 1971 lies between \$1,200,000 and \$3,100,000.

It is ironic that, to the best of the authors' knowledge, not one Arizona cypress was offered for sale, yet this is one of the favorites in the southeastern United States where many acres are grown in plantations for the southern market. Species that consumers will purchase and that can be grown commercially in the state will be of concern to Arizonans who would like to raise this crop. The Agricultural Experiment Station is carrying on a modest amount of research concerning the growing and marketing of Christmas trees.

Table 2. Species of Christmas tree shipped to Tucson for retailing in 1971 by number and by percent.

<i>Species</i>	<i>Number purchased</i>	<i>Percent of total purchased</i>
Scotch pine	22,294	45.2
Douglas-fir (unsheared)	19,602	39.8
Douglas-fir (sheared)	1,855	3.8
Austrian pine	2,539	5.1
Colorado blue Spruce	1,467	3.0
12 other species	1,542	3.1
Total	49,299	100.0