

*Harvest and shipping already underway in the nation's #1 producer of Christmas trees*

## Oregon Christmas tree growers target California

**October 31, 2007...** Oregon sends about 3.5 million of its Christmas trees to California each year. The southern neighbor is easily the top destination for Oregon's \$121 million Christmas tree industry. Still, sales into the Golden State remain relatively flat. That's why a new, targeted promotional campaign is underway this fall in some of California's largest cities.

For Oregon's 720 licensed Christmas tree growers, the holiday season has already started—especially for those who ship their trees a great distance. Some of those trees are headed for California.

"Over the next four to six weeks, our growers will be frantically harvesting and getting their trees ready to ship to market," says Gary McAninich, supervisor of the Oregon Department of Agriculture's Nursery and Christmas Tree Program. "We will be seeing a large number of those trees going south."

ODA inspectors are facing a whirlwind of activity in the next few weeks as growers seek an all-important piece of paper known as the phytosanitary certificate, which is basically a grower's passport to the marketplace. ODA inspectors check trees bound for other states and countries to make sure they don't carry an unwanted insect pest or disease. The phytosanitary certificate gives those trees a clean bill of health and clears the way for shipment.

While ODA inspectors conduct their annual rite of fall and winter, Oregon's Christmas tree industry will be unleashing an educational campaign designed to promote its product to California consumers. With such a large population, any significant increase in sales to the neighboring state will bring in major dollars to Oregon growers.

"With a state that represents one of the world's largest economies, California is certainly deserving of our attention," says Bryan Ostlund, executive director of the Pacific Northwest Christmas Tree Growers Association.

In the latest survey conducted by the Oregon Agricultural Statistics Service, about 47 percent of all harvested Oregon Christmas trees are sold to California. No other domestic or international market comes close. Less than 10 percent of Oregon Christmas trees are actually sold inside Oregon. With an expected 2007 harvest of somewhere between 7.5 million and 8 million Christmas trees in Oregon, what is shipped to California will be an impressive number. Industry officials would still like to see it jump even higher.

"Quality-wise, our Christmas trees should be in great shape this year," says Ostlund. "We had a lot of moisture earlier this fall, but that's great for Christmas trees. That makes for a healthy, happy tree as it moves into the California market."

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The California promotion largely relies on obtaining television and radio coverage in such key media markets as Los Angeles, San Francisco, San Diego, and Sacramento. Media kits will help provide information and the industry is dispatching its own qualified spokesperson to answer questions from the media— Oregon State University extension agent Mike Bondi of Clackamas County. He will also be working with a public relations firm out of San Diego to schedule visits to TV stations and other activities.

At the heart of the promotion is a key environmental message that Oregon's Christmas tree industry hopes will resonate with potential customers who may not be familiar with agriculture.

"These are trees that are not coming from the forest, they are a renewable resource that is produced just like any other agricultural crop," says Ostlund. "Consumers want to know where their food comes from. Well, this is just the same mindset. With all the publicity China has received this year with food safety issues and lead in toys, the time is ripe to start marketing Oregon Christmas trees much more aggressively in California."

Ostlund references China because many artificial Christmas trees sold in the U.S. are made by the Chinese. The industry is stressing to all customers— not just those in California— that a fresh cut tree is a safe, high quality, and sustainably-produced item.

Californians will find Oregon Christmas trees in the large chain stores— such as Lowes, The Home Depot, and Walmart— as well as a number of independent retailers. Since the Pacific Northwest is virtually the only player in selling Christmas trees in California, there is no need to conduct a branding program to distinguish Oregon trees from those from another state. That allows the promotional campaign to focus on the environmental message that Oregon Christmas trees are a sustainable crop.

Noble firs remain a very popular species this year, not only in California but also in Oregon and most other markets. But there will be a large number of Douglas fir trees heading south from Oregon, which provides California consumers a bit more of an economy tree.

Christmas tree prices have stabilized in recent years at the retail level, but Ostlund says wholesale prices are down a bit. Five years ago, inventory was short and the industry responded by planting more trees. This year, there is a more adequate supply and the price is generally reflecting the availability of Christmas trees in the marketplace. Still, some markets will pay higher than the normal price. A seven-foot Noble fir that an Oregon resident might purchase for \$40 will often be sold in Los Angeles for \$130 or more. For the most part, California consumers will probably pay slightly higher prices for the same kind of tree Oregonians will purchase this year.

A major focus may be on California this year, but there are numerous markets where Oregon Christmas trees will find a home. That is to be expected since Oregon leads the nation in Christmas tree production— harvesting nearly twice as many trees as its nearest competitor, North Carolina.

"We expect it to be another big year for us once the 2007 numbers are finalized," says Ostlund.

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