

# UP, DOWN, or STEADY?

**A recap of the 2023 season shows wide fluctuations in grower sales**

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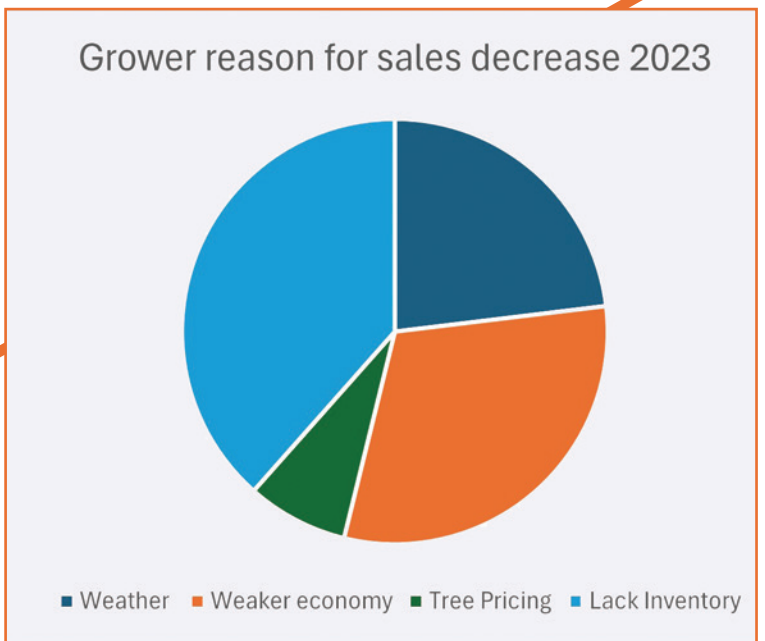
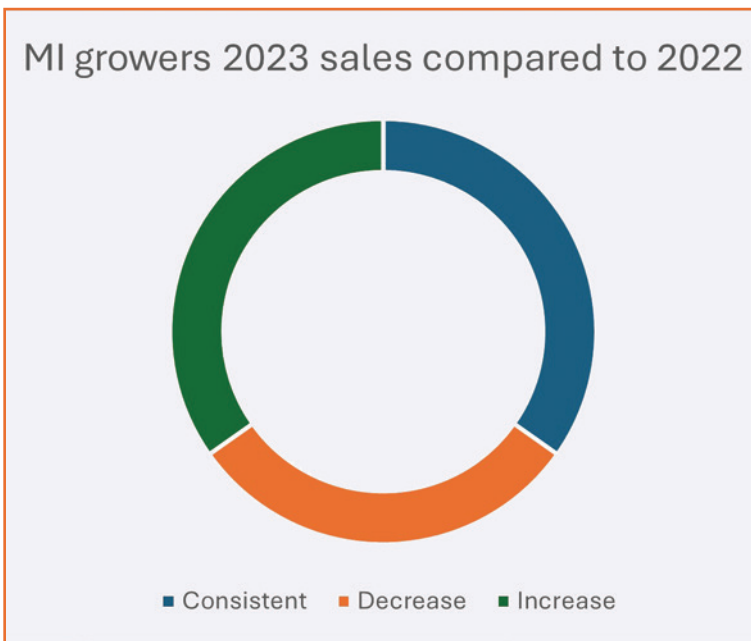


With the 2023 season in the rear-view mirror, some natural questions that many growers ask are, “How were sales this year? How did my farm compare with others in the region? Will my farm be impacted by a downturn in the economy or are customers continuing to purchase trees at consistent or increasing rates?” Answering these questions may affect decisions on the farm such as size of future plantings, number of pre-cut trees to order, and what prices and markets will be in 2024.

The Christmas tree industry is subject to overall economic pressures. As the economy slows, consumers may have less resources to purchase trees. Conversely, when the economy is humming, consumers may show higher demand for Christmas trees. Some reports from 2023 showed a slowing economy. Indicators such as inflationary pressure, record credit card debt levels, and poor consumer confidence surveys indicated a weakening economy. However, other indicators showed a

strong economy with extremely low unemployment rates, high consumer spending, and an increasing GDP. Similar to other green industries, the COVID-era generated an increase in sales as many consumers were at home and chose to harvest or buy a real tree to escape social isolation. The increased demand for trees during those years has resulted in tighter supply and increased prices.

To better understand the 2023 sales season, the Michigan Christmas Tree



GRAPH 1 Michigan Growers 2023 sales compared to 2022

GRAPH 2 Explanations for decrease in 2023 sales season.

Association sent out a survey asking its members to compare the sale season in 2023 to 2022. Results from this survey showed very mixed experiences. There were nearly equal responses in farms that saw increase in sales, consistent sales, or decrease in sales comparing 2023 to 2022 (Graph 1). There was no correlation between a positive or negative sales season response and the type of tree farm (Choose and Cut, Wholesale, or Retail Lots). For those that did see an increase in sales, the majority reported about a 10% increase.

Grower explanations for the increase in sales were mixed. Reasons that were most often cited included a longer sales season, increasing sales of non-tree products, and a reduction in competition. For those that had a decrease in tree sales, grower explanations were varied (Graph 2). However, the most common response was a lack of inventory (not enough trees to sell). The limited availability of trees on Choose and Cut farms likely resulted from depleted numbers of trees after a peak in Christmas tree demand during the COVID-era. With an

average rotation length somewhere between 8 and 10 years (depending on species, tree height, and grower practices) farms are still imbalanced between number of trees at saleable size and customer demand. This may be especially true if farms “oversold” trees that were maturing over the last few years. This would have reduced the inventory for the 2023 sales season. The other common explanation of decreased sales was due to a weakening economy, which could also be true, but is harder to quantify.



**To gauge the experiences for those outside of Michigan, we contacted several growers from the surrounding Great Lakes states. Similar to Michigan, their 2023 sales experiences varied, with a summary of each perspective below.**

**Wisconsin:** Andrea Barry from Cooks' Woods focuses primarily on Choose and Cut with a smaller portion in wholesale production. Andrea reported consistent sales for the 2023 season. She reported a lack of tree inventory, especially trees that were 8 feet or taller, as limiting additional sales.

**Ohio:** Alan Binger from Hidden Pines Christmas Tree Farm focuses on the Choose and Cut market. Alan reported

that 2023 was his best sales year to date, with overall sales up 16% from 2022 (Photo 1). Breaking that down further, his sales of Choose and Cut trees were up about 31% while his pre-cuts were down 24%. He attributes his increased sales to his increase in tree inventory as more of his fields have come into trees of mature size. He also reported very high demand for other Christmas related products (Photo 2).

**Maryland and Pennsylvania:** Gary Thomas from Winterfarm reported that their Choose and Cut season was essentially consistent to that of 2022. He did report having to stay open for a longer period of time to sell the same number of trees. He observed less

customers especially during his peak demand days (Black Friday weekend). He did not have customers complaining about prices but just had fewer customers out to the farm. He noted that some retail lots in Maryland had decreased sales of pre-cut trees and were left with inventory at the end of the season. He attributed a portion of reduced demand at retail lots to increased prices, as the cost of wholesale trees has increased over the last several years. Other Choose and Cut farms in Pennsylvania reported selling at consistent levels to 2022.

**Indiana:** Tom Dull from Dull's Tree Farm reported a slight decrease in tree sales compared to 2022. Dull's Tree



PHOTO 1: Large customer demand at Hidden Pines Christmas Tree Farm.  
Photo Credit Alan Binger

Farm is exclusively a Choose and Cut operation. This was their 31st year in business and the first year they did not have an increase in sales from the previous year. They attributed this directly to a lack of tree inventory – and they note an increase in customer demand due to eco-benefits of real Christmas trees.

**Minnesota:** Wolcyn Tree Farm is the largest wholesale tree farm in Minnesota, and they have a Choose and Cut farm and two retail tree lots. Ben Wolcyn reported the following:

- The wholesale sales were consistent from 2022. They were able to keep

existing clients and orders from previous years, but due to limited tree inventory, they were unable to add additional sales. Their harvesting season went very smoothly as abnormally warm weather made tree processing more efficient. It was their warmest harvest season ever.

- Retail tree lots: They have two tree lots in the Twin City area. Sales were down about 10% from 2022 levels and compared to those from the pre-COVID era. They attributed the decline in pre-cut tree sales to the abnormally mild and warm weather: customers

seeking real Christmas trees could more readily enjoy going to Choose and Cut farms, without snow impeding that process.

- Sales from their Choose and Cut operation were up slightly compared with 2022, which itself was a record year. The weather was excellent and other Choose and Cut farms in the area also reported having a really productive sales season.

### Summary:

With the large variation in farmer responses, it is difficult to draw strong

conclusions about trends from the 2023 sales season. A limited mature tree supply held some growers back from increasing their sales at both wholesale and Choose and Cut farms across the Great Lakes region. This suggests that some growers in the 'Decrease' category may have held steady, or even increased

sales, if they had more inventory. There were reports of slumping sales at retail lots when compared to 2022, but it was inconsistent between geographic regions and markets. The survey results from the Michigan Christmas Tree growers once again showed no consistent trends: some growers reported having increased

or consistent sales while others reported decline in sales. This sales season underscores the difficulty in matching long term dependent supply (Christmas trees) to a short-term volatile demand (Consumers). 🌲

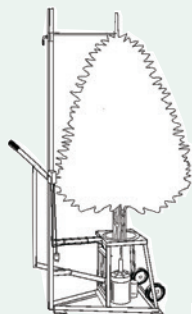


PHOTO 2: Additional Christmas tree items. Photo Credit Alan Binger



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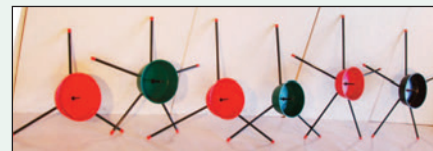
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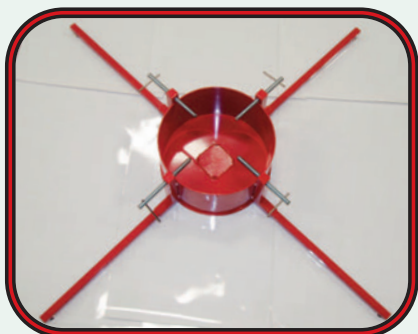
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