

Christmas Tree Production

Introduction

Christmas trees, once regarded as by-products of the forestry industry have been produced as a highly specialised crop since the early 1980`s. Good returns in terms of both capital and time are possible. However, such returns can only be achieved through specialised knowledge, high standards of production, access to suitable markets and commitment from the producer. Ireland`s domestic requirement is approximately 400,000 trees per annum. Annual planting ranges from 300,000 to 500,000 trees, with the industry becoming increasingly dependent on the export market.

Production of Christmas trees (Noble fir) requires relatively fertile, slightly acidic soils in areas that are not too exposed. Growing good quality Christmas trees is a skilled, labour-intensive job and requires considerable financial investment.

The Market

The market for Christmas tree in Europe is approximately 60 million trees a year. Noble fir is the standard tree grown in this country, along with minor quantities of other firs and pines. The trend in demand is towards more needle-retaining trees.

The Irish market is very limited and has changed considerably in the past few years with the increasing availability of quality trees. Customers are now prepared to pay higher prices for such quality of product. With emphasis on quality products, it is becoming increasingly difficult to sell low-grade trees.

The marketing and sale of the Christmas trees is of vital importance to the profitability of the enterprise. This should be investigated and potential markets identified with a considerable degree of certainty **before** deciding to plant.

The sale of Christmas trees must be organised early in the season and one should get substantial deposits before holding trees for customers. Producers targeting the export market should deal with trusted traders only. Where possible, trees should be paid for in full before allowing them to be removed from site. Theft can be a significant problem and provision should be made to minimise losses.

Alternatively the trees can be grown on contract for a buyer or in conjunction with a Christmas tree company. The terms of contract should be thoroughly investigated and legal and financial advice should be sought in such cases.



Noble Fir

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This is one of a series of fact sheets on potential income generating activities.

All fact sheets are available in the Advisory Section of the Teagasc Website
www.teagasc.ie

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Teagasc Fact Sheets present a brief overview of a topic. Further detailed advice should always be sought from relevant sources.

Production Method

The soil preparation and establishment techniques will vary with the site, the species and the level of mechanisation involved. Some soil cultivation is essential to provide an optimal planting medium. Good weed control is necessary at all stages in the crop. The site must be adequately fenced to exclude domestic stock, deer, rabbits and hares.

It is essential that planting stock of the correct seed origins for Christmas tree production are selected. These may differ from those suitable for timber production, as characteristics such as foliage colour and conformation and tree habit are more significant. The main needle-retaining species used in Ireland are Noble fir, Nordmann fir and Lodgepole pine. Norway spruce is no longer considered as a desirable Christmas tree. Plant spacing ranges from 1.2 metre to 1.5 metres resulting in densities of between 4,500 and 7,500 trees per hectare. Access within the crop is essential to facilitate management operations.

Management involves ongoing weed control during the life of the crop to eliminate weed competition. Any tree failures during the first few years should be replaced. Apart from ongoing maintenance, a series of cultural operations should be done to ensure a high quality crop and to reduce the number of inferior trees. This includes forcing a single leader on the trees where the main bud has failed or where there is more than one leader. Pruning the lower shoots increases crop quality and access. Other tree improvement techniques include side shaping, shearing and bud pinching.

Establishment and Maintenance Costs Margins – Noble Fir

	€ per hectare	€ per acre
Costs		
Production costs (including material, fencing, plants, weed control, fertiliser and replacements)	3,615	1,463
Labour and sales cost (including ground preparation, planting, filling in, weed control and shaping)	4,055	1,641
Harvesting (70% of original crop + post harvest cleaning of ground)	18,300	7,406
Exporting costs	9,700	3,925
Sales commission (5%)	2,400	971
Insurance & Security	1,950	790
Total cost (sample)	40,000	16,196
Output		
Sales (€13 per tree)	61,100	24,726
Net return over 10 years (excluding interest payments)	21,080	8,530

The establishment costs for Norway spruce and Lodgepole pine are slightly lower but net returns are significantly lower, with average prices per tree €2.60 and €5.70 respectively. With increased production throughout Europe the price for Christmas trees is unlikely to increase.

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