



Christmas Tree

Newsletter

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May-June 2017

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Update of the N.C. Forest Service's Linville River Nursery

Many of you may have heard or read about the impending June 30, 2017 closing of the Linville Nursery. Since the March 13th, press release, growers, the NCCTA and others have been working behind the scenes to alter this course. Yesterday, James West and Brian Haines with the NC Forest Service shared the following:

"There are bills in both the House and the Senate to fund the Linville Nursery at \$200,000 recurring. With identical bills in both houses plus plenty of support by interested parties, it is expected that it will pass or at least some similarity of it will pass. However, we can't be certain until the budget passes."

I'll keep you posted as we learn more by July 1st - September 1st. In the meantime, I wanted to share with you the "old" March press release in part announcing the closing of the Nursery. See below.

RALEIGH – After 47 years of production, the N.C. Forest Service's Linville River Nursery in Crossnore will cease operations June 30.

James West, head of the Nursery and Tree Improvement Program, said it was a difficult but necessary decision. The program's input costs remain too high, making the mountain nursery unsustainable. "Since all our nurseries must generate their own income, this decision had to be made to keep the overall nursery program more financially sound," West said.

When the nursery first began production of Fraser fir seedlings in 1970, almost all the seedlings planted in North Carolina were coming from the Linville River Nursery. In 2016, less than 9 percent of the Fraser fir seedlings planted in the state were produced by the N.C. Forest Service.

The Linville Nursery is a small operation funded by the sale of Fraser fir and eastern white pine seedlings. The NCFS decided to stop growing seedlings at the location because sales income was not covering production costs, West said. The nursery had an average shortfall of \$104,000 in each of the last four years.

The Linville Nursery is located at the NCFS Mountain Training Facility, and the nursery's lands and buildings will be transferred to that program. The remaining Fraser fir seed in storage will be offered for sale to the public over the next several years to maintain market stability.

<http://www.ncagr.gov/paffairs/release/2017/3-13-17-linville-river-nursery-to-close.htm>



Industry Outlook - Snippets from the NCCTA Winter Mtg.

- * Record year! Set records in choose and cut and in retail lots!
- * This past season, great for wholesale, retail and choose and cut operations!
- * Growers in general experienced very few complaints, most customers seemed happy without complaints.
- * Sold less trees (one grower) but made more money as prices were raised.
- * Opportunity for most growers to cut out customers who were not a good fit.
- * Phone ran off the hook this year!
- * Some growers had phytosanitary certificates to “help” with getting their trees into Florida
- * Maybe advertising created an increase?
- * A lot of people coming from social media to farms.
- * This year was a very dry year! Trees that were planted died because the weather was so dry, thus concern ~ having a low tree inventory down the road!
- * Some customers desired “lighter” trees.

Tree Supply

- * Most growers had tree shortages!
- * When short of trees, a few growers supplemented with exotic firs e.g., Nordmann, Concolor and Canaan to name a few.
- * Some growers supplemented with # 2's. Clients were ok with this.
- * A few growers reported that their retail lot clients ... had shortage of noble firs too and were calling/asking for Fraser fir trees.

Pricing

- * Most growers went up on wholesale and retail prices 10% or more.
- * One grower testified to increasing prices 20%
- * Some shared how they raised prices slowly and hope to raise prices again this 2017 year.

Labor

- * Labor is still an issue H2A \$11.27/hr.
- * Other non H2a workers' wages ranged from \$13-15 /hour

Trucking

- * Growers shared how trucking went smoothly this year. Some loads were stopped in Florida.

Post Harvest

- * Concern about the warm and dry weather, the lack of a cold temps and how this would impact trees at harvest, post harvest, shipping etc... But surprisingly, the trees were fine when shipped and sold!
- * It seems more and more customers want their trees earlier!
- * One customer added some instructions for consumers on how to keep their trees because of the 2016 warm fall/season.
- * One grower made an observation statement – “It seems when we have a dry summer and then harvest there seems to be less trunk splitting.”

A Look at Box Stores

- * Box stores sales were down this year.
- * Paid by scan may not be a good thing as far as store managers and employees being less invested.
- * Drought may have impacted the public's perception as a reason for less trees being sold in the South East.
- * Not as many trees were sent to box stores as in previous years.
- * Maybe the box stores have maxed out!

Industry Outlook continued

Grower Groups Asked: “How Was Your Year?”

- * “Didn’t get shut down with one day of rain!”
- * Sales were good!
- * A very busy and hectic year!
- * Not enough trees ...A lot of retail lots couldn’t get enough trees, so we’ll see this trend in future years.
- * Ran out of trees
- * Best year we’ve had in a long time!
- * Best prices had in a long time!
- * Got pries whatever we asked!
- * Pleasantly surprised how well trees held up for being so dry.
- * No complaints about dry trees or shed needles.



Asked: “Any Real Problems?”

- * Dust was terrible clogging up filters in balers
- * Nervous on how trees were going to hold up but shockingly they did fine.
- * Some growers base watered their trees.
- * Some had a lot of spit trunks
- * The dry weather made growers more conscious of taking care of them post-harvest to avoid split trunks
- * Some growers used latex paint or N coating (anchor sealer) (water based type of paint), great when shipping in hotter climates.
- * Cinara aphid incidents – e.g., one cinara aphid issue, a customer in CT house had white carpets 30,000 ft. house
- * Scale issues into Florida: some growers had an NCDA certificate. The certificate helps but does not guarantee as a free pass.
- * Trucking – some growers had issues with truckers, most growers had no problems.
- * Workers – concern with current administration and how immigration/deportation will impact workers.
- * **Severe shortage of both seedlings/transplants and trees for markets!**
- * Can’t find transplants today need to know (survey) how many are in the ground so we don’t over plant!
- * Try to avoid the cycle of too little or too much!
- * Supply on the west coast is short also of Noble firs!
- * The Pacific NW timber is coming back so Weuhausser may cut back on Christmas tree seedlings to produce more timber seedlings.

Grower Group – Choose and Cut

- * Spent more money in 2016
- * Less Choose and cut farms in the high country
- * Real tree promotion has been beneficial
- * Sales great!
- * Farms closing early due to selling out.
- * Beauty is in the eye of the beholder for the customer!
- * Social media is a low cost way for promotion!
- * One grower flocked a few of his trees orange, red or pink...sold immediately!



Grower Group – Big Growers Discussion

- * Labor issues
- * Shortage of trees
- * Building housing units for labor and kick back from the cities
- * Eligibility of H2A workers for Obama care concerns
- * **Scale** - big topic a lot of discussion! Florida Inspecting trees ... issues
 - Trees were quarantined and some trees were destroyed
 - Need to work for a solution 100% control is not possible
 - Take about 3 years to come up with solutions,
 - Try to come up with protocols
 - Scale issues my get worse before it gets better Phytosanitary certificates? Combine research NCSU and FSU to appease FDA to look at host species to see if scale is indeed an issue.

Elongate Hemlock Scale - Issues

- * *Fiorinia externa* - First found in NC on Momi fir at Biltmore Estate in 1992. In 2000, 0.6% of growers had damage which increased in 2006 to 2.3% and in 2013 to 53%.
- * **So why is EHS a problem?** It's primarily a regulatory issue. EHS isn't native to the U.S. First found in Long Island (1908). Later in 1958, it was discovered in Connecticut, Pennsylvania, Ohio & New Jersey & recently found in Maryland. Currently, EHS is found in the eastern US as far west as Ohio and as far south as Georgia, and also in Nevada. It's only a problem in hemlocks, firs, Douglas fir & spruces, but the literature reports it on many more species (report from the 1970s that it gets on white pine).
- * FL, CA, LA – all have sent back trees because of scale.
- * An estimated 20% of our crop is shipped to FL.
- * In 2016, 270 trucks shipped trees to FL, 5 were stopped, 4 were allowed to enter & 1 was sent back to N.C.
- * EHS is difficult to control because the eggs are inside the female are completely protected. She is encased both above and below with only a small opening for a feeding tube. **Crawlers are found every month of the year**, though peaks in spring and late summer and this past year in the fall (Oct), thus no target time for control!
- * It's important to reduce/eliminate scale populations in the fields especially if shipping trees to FL, LA and Ca! When trees are young scout & if observed treat for scale. If you need to fix a bad problem (try not to get to this point!) then cull worst trees, & know you will need to spray a couple of times e.g., before bud break with cheaper products & a foliar spray with Sniper + Dimethoate (best control for late spring early summer). When cleaning up trees for harvest, make sure taggers know what scale looks like! Clear your field...don't leave a lot of trees.
- * Consider strategies so you don't send scale to problem markets (Florida, California, Louisiana & other countries).

Sincerely,

**Christy Bredenkamp, Extension Agent
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EXTENSION

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