

BUSINESS DAY

Why You'll Probably Pay More for Your Christmas Tree This Year

By TIFFANY HSU NOV. 30, 2017

Each year, the century-old Boyd Mountain Christmas Tree Farm in Waynesville, N.C., sets aside 5,000 evergreens for the holiday crush. Families choose their own Fraser fir — the Cadillac of Christmas trees — while sipping hot chocolate and visiting with Santa.

This year's sale was set to run from Nov. 17 to Dec. 10. But by the end of the Thanksgiving weekend, the trees were all gone. On Black Friday alone, nearly 900 had been picked out, chopped down and taken away to be adorned with ornaments and lights.

And Christmas trees are not easily restocked.

"It's not like buying plastic cups — you can't just turn a tree out in a factory," said Darren Nicholson, Boyd Mountain's assistant manager. "Once you cut it, you have to wait 10 years to replace it."

Those looking for the perfect Christmas tree this year may find it hard to come by, or at least about 10 percent more expensive than last year. Blame the Great Recession.

Tree sellers warn that market forces tied to the financial crisis, and amplified by the recovery, are driving up the price of trees and, in some parts of the country, making them scarce.

For anyone who might forget, many people in the United States were not feeling particularly festive in 2008. They bought fewer items as the country slid into its deepest downturn since the Depression. Growers responded by cutting down fewer Christmas trees to sell. That left less space to plant replacements and, ultimately, a smaller-than-usual batch of seedlings.

Nearly a decade later, Americans are spending freely again, and the firs, spruces and pines that went into the ground during the recession have reached the seven-to-eight-foot height that makes them ideal for holiday living rooms.

But don't expect many bargains.

"We're not going to be short — everybody looking for a real tree will be able to get one," said Doug Hundley, a spokesman for the National Christmas Tree Association, a trade group. "But it is a tight market, and prices will rise."

Actually, prices have been rising for a while: The average buyer spent \$36.50 on a Christmas tree in 2008; by last year, the figure was \$74.70.

The increase in tree prices has been intensified by a parallel development: farmers abandoning what has always been a costly business. Christmas trees require treatment against insects. They must be shaped, or sheared, often by hand, as they grow. The ground around them needs weeding and mowing. Their girth complicates transportation.

In Oregon, the top state for tree exports, the number of licensed growers fell to 392 this year from 699 in 2010, according to the state's Agriculture Department, and the number of trees planted also dropped sharply, federal data shows. Drought and wildfires have taken their own toll on tree farms.

The reduced stockpile of standard Christmas trees in the United States is unlikely to be a one-year phenomenon. According to GWD Forestry, which connects investors with forestry projects around the world, the shortage could last through 2025.

Buyers who wait until mid-December to get a Christmas tree this year may be disappointed by the selection, Mr. Hundley of the tree association said. But that should not dim their holiday spirit, he added.

"You can take a Charlie Brown tree and decorate it and it will look just as good as the prettiest tree on the lot," he said.

Christmas trees still abound in some areas. New York has fewer than 1,000 farms, with most of them selling to families and small businesses rather than in bulk, said Mary Jeanne Packer, executive director of the Christmas Tree Farmers Association of New York.

As the downturn and other factors prompted larger rivals around the country to pull back on production, she said, many New York State farmers stuck to their standard planting cycles. So, although the state produces only about 300,000 fresh-cut trees annually, some of this year's crop of balsam, white and Fraser firs may be headed to Pennsylvania and New Jersey to meet demand.

"We have plenty of trees," Ms. Packer said.

Follow Tiffany Hsu on Twitter: @tiffkhsu.

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