

CHRISTMAS TREE PROMOTION BOARD

Annual Report 2018



The CTPB funds research to solve issues critical to Christmas tree growers.

In 2018 over \$252,000 was approved to fund Christmas tree researchers at universities across all growing regions in the United States. This brings the total amount spent by the CTPB on Christmas tree research to over a half million dollars. Continuation of several previously funded projects and the addition of a number of new topics for research are included in this year's expenditure.

Results from research projects funded in 2017 are being disseminated at grower meetings throughout the country, through webinars, and via trade journals. Brief summaries are included below.

An important issue to Pacific Northwest growers is load rejection due to the presence of **slugs** in

Christmas trees shipped to Mexico, Japan, Hawaii and other Pacific Rim destinations. Researchers at Oregon State University determined which slug species were present in Christmas trees in the field and in the holding yard. *Arion intermedius*, *A. subfuscus* and *Prophysaon andersoni* were identified as actionable species. Furthermore, observations of when and where slug infestations occur is critical for designing effective controls.

The **CoFirGE** project continues to evaluate Turkish and Trojan firs in comparison to more traditional fir species. This study is evaluating their performance in diverse growing regions of the United States including Connecticut,

Oregon, Washington, Pennsylvania, North Carolina and Michigan. Turkish and Trojan fir species have dark green, dense, glossy needles, with excellent post-harvest retention; important characteristics to consumers. In addition, further study is being done to further determine the level of resistance Turkish and Trojan fir have to Phytophthora root rot and many insect pests; significant traits to Christmas tree growers.

Other aspects of Turkish and Trojan fir being investigated with CTPB research funds include **controlling leader length and protecting Turkish and Nordmann seed from Megastigmus larvae**. Cultural controls of leader length were compared at Oregon State University by cutting at bud break; cutting the leader at 2 inches length; or cutting the leader after it is fully elongated. Early results indicate that bud break is the best time for cultural control of leader length in Turkish and Trojan fir. Chemical control of leader length was achieved with application of a plant growth regulator called ProTone™ at the right rate, at the right time. The same experiment will be repeated by Michigan State University in 2019. It is hoped that these techniques can save growers time from tying up and straightening tops, a problem in Turkish and Trojan firs with traditional leader cutting in August.

Elongate Hemlock Scale (EHS) research was funded by the CTPB at the request of the Florida Department of Agriculture – Division of Plant Industry. In an effort to demonstrate that EHS from Christmas trees brought into Florida would not infest native trees, North Carolina State University researchers investigated the behavior of EHS when exposed to conifer species native to Florida. No significant EHS reproduction occurred on the conifers native to Florida included in this study; while in comparison Fraser fir and hemlock predictably saw a great deal of reproduction. These findings should help prevent load rejections of Christmas trees with EHS entering Florida.





CTPB provided research funds to North Carolina State University and Michigan State University to determine rates and application timing of soil applied plant growth regulators and foliage applied organic herbicides to effectively **control cone formation** without damaging the tree. Herbicides applied to emerging cones proved to be a potential control for this costly problem of the Christmas tree industry. Further trials will be performed in the coming year to make these practices more cost effective. Developing the use of **drone technology** to apply chemical control for coning and for herbicide application in Christmas trees was another CTPB funded project at North Carolina State University.

New research initiatives received funding from CTPB in 2018.

The **Connecticut Agricultural Experiment Station** will conduct experiments with cooperating growers to determine the optimum quantity of controlled-release fertilizer to use at the time of

planting to improve bare-root transplant initial survival and growth.

CTPB funding supports the cooperative efforts of several universities, led by **Oregon State University** to collect Nordmann fir seed from three regions in the Minor Caucasus Mountains region of Georgia, grow seedlings and establish test plots to identify regionally adapted sources of Nordmann fir that produce superior Christmas trees across the major production regions in the United States. This research will benefit US Christmas tree growers by diversifying tree species options.

Like many crops, herbicide resistant weeds are a problem in Christmas trees. CTPB research dollars fund **North Carolina State University** research to develop control options for herbicide resistant weeds in Christmas tree production by studying herbicides with differing modes of action and various spray timing. Also, researchers will further examine drone herbicide application to Christmas tree acres.

Washington State University received CTPB research dollars to look at the effectiveness of preharvest application of sprayable 1-MCP (an ethylene blocking compound) on Douglas fir, balsam fir and Canaan fir to reduce the risk of needle loss post-harvest. These results could be very impactful since needle loss is the number one concern of consumers considering a real versus artificial Christmas tree.

Though very problematic in the Pacific Northwest, little is known about the Douglas fir twig weevil. CTPB is funding research at **Washington State University** to develop an understanding of critical stages of the life cycle of the Douglas fir twig weevil to optimize the timing of pest management treatments and reduce its impact on Christmas tree production.

CTPB research funds provide opportunities for the collection of unbiased scientific data to solve current problems in Christmas tree production and to develop the future of our industry.

PROMOT

CTPPB 2018 Promotion: Targeting Millennials with Social Media Campaign

Working again with advertising agency, Concept Farm and public relations firm, Fleishman Hillard, the CTPB further honed its consumer messaging in 2018 and defined a narrower target market of “millennial mom.” The holiday campaign built on past successes and found new opportunities for sharing its message with young millennial families.

“Based on our research and experience from previous years' campaigns, we suspected that millennials, especially those with children, would be the best audience to target for two reasons. First, they were the most receptive to the message and benefits of a fresh cut tree. And second, because of their stage in life, they represented the greatest long-term value for the industry,” states Promotion Committee Chair, Rex Korson. “We were able to confirm these points with research and planned the 2018 campaign with the millennial mom in mind.”

| Stick with What Works

The *It's Christmas. Keep it Real* campaign continued the success that it had in 2017 by featuring entertaining videos through its Facebook and Instagram pages. This season, the campaign produced a series of videos featuring real Christmas tree customers. They shared their funny and heartwarming family traditions as well as their real Christmas tree selection trips with viewers across the country.

“The experience and memories of purchasing, decorating, and celebrating with a fresh cut tree has consistently been a top reason people list for wanting and having a real tree for Christmas,” commented Concept Farm's Griffin Stenger. “We spent time with seven families before, during and after they picked out their tree to see what it meant to their families.”

The first family video debuted just in time for Thanksgiving and a total of seven families were featured throughout the season; a new family being featured each week until Christmas. Reach of the videos was expanded by “boosting” through paid reach and partner sharing, racking up three million video views on the CTPB social sites.

Also back was the satellite media tour, which secured nearly 30 television and radio interviews coast to coast. Millennial Christmas tree producer, Derek Ahl was joined by lifestyle expert Jocelyn Delk Adams and the pair shared the benefits of celebrating with a fresh Christmas tree in dozens of media markets across the country on morning news and talk shows via satellite uplink from a studio in Chicago.

“The SMT remains a strong, visual tactic to tell our story through broadcast media,” asserts Liz Conant with Fleishman Hillard. “With a laser-





CAMPAIGN PRESENCE

MEASURABLE REACH 27,054,057
PEOPLE SAW THE CAMPAIGN ONLINE

ENGAGEMENTS 3,056,277
LIKES, COMMENTS, SHARES, TWEETS, VIEWS

VIDEO VIEWS 2,936,131
FACEBOOK, YOUTUBE, INSTAGRAM, TWITTER

MEDIA COVERAGE 2,478
ARTICLES, SEGMENTS & CONTENT PIECES

CAMPAIGN IMPRESSIONS

SOCIAL MEDIA 9,249,628
FACEBOOK, INSTAGRAM, TWITTER

PARTNER/INFLUENCERS 17,804,429
RED TRICYCLE, INFLUENCERS

MEDIA COVERAGE 246,027,745
PR, INFLUENCERS, CONTENT INTEGRATIONS

ORGANIC NEWS PICK-UP 325,408,637
CBS THIS MORNING, NPR, ASSOCIATED PRESS, ETC.

focus on millennial parents, this year we wanted to ensure that our target audience would easily identify with our spokespeople. We paired millennial grower and new dad, Derek Ahl, with lifestyle expert and popular blogger to discuss creating family memories with real Christmas trees in dozens of interviews with stations across the country.”

And Try Something New

Of course, it’s important to always look for new opportunities. This past season, the campaign reached young families nationwide through its Red Tricycle media partnership.

“For a partnership to amplify our real tree message to millennial parents, we turned to the online media publication that shares inspiration for fun holiday activities with millions of millennial moms each season; Red Tricycle,” said Fleishman Hillard’s John Armato. “The Red Tricycle partnership brought real tree messages front and center during peak tree-buying timeframes in their email newsletters, social media properties and in sponsored articles and advertising on RedTricycle.com.”

A sponsored newsletter featuring real Christmas tree messages was sent to all Red Tricycle email subscribers followed by a series of sponsored articles highlighting real Christmas tree experiences of Red Tricycle editors. Our own tree grower moms were featured in a Red Tricycle story on December 7 and the campaign sponsored “homepage takeover” of RedTri.com, with our advertising prominently displayed all weekend long, December 14-16.

Another new twist for the campaign was a Facebook LIVE event. *The It’s Christmas. Keep it Real* campaign went live on November 24 & 25. Holidayzle, a Christmas marketplace and entertainment venue in Minneapolis, MN, was the backdrop for the first broadcast, where we engaged with the public on all things real trees. The second location was a retail Christmas tree lot. Our Facebook followers watched as customers enjoyed holiday fun and selected that perfect Christmas tree.

It All Adds Up

Beyond these key campaign components, the team sponsored the *Real Trees, Real Memories* sweepstakes, encouraging consumers to share their real Christmas tree photos on our social pages, and offering \$250 gift cards to 10 winners. The sweepstakes received over 900 entries and was promoted through Red Tricycle, our own social media and through 15 Facebook and Instagram influencers. And those influencers did more than announce the contest, they shared their own personal real Christmas tree stories with their loyal followers.

The CTPB was an official sponsor of the Christmas Spirit Foundation’s Trees for Troops program for a third year. The well-established program already has developed goodwill with consumers and the media and is an important outreach for the Christmas tree industry. In a separate sponsorship, CTPB purchased more than 70 fresh trees to accompany the Capitol Christmas Tree from Oregon, ensuring that professionally-grown trees would be a part of the festivities.

You Can’t Beat Great Press

Perhaps the “win” of the season was the great press coverage of the campaign. The national media latched on to the story of how the real Christmas tree industry was attempting to win the millennial market with a modest \$1 million campaign. This story grew as the season heated up and features on the CBS Morning Show, National Public Radio and Associated Press added more than 300 million impressions of our campaign.

“This year we saw the industry’s own ‘David and Goliath’ story play out in a number of organic news articles during the season, shining light on the CTPB’s one-million-dollar campaign aimed at reaching millennial parents to guard against the spread of artificial tree use. The resulting millions of media impressions and added attention on the industry are a true testament to the power of earned media,” commented John Armato.

See for Yourself

To see a short and entertaining video recap of the campaign, please visit:

<https://tinyurl.com/CTPB2018>



FINANCIAL



2017-2018 Financials

CTPB is required to have an independent Certified Public Accountant audit its accounting records each fiscal year in accordance with Generally Accepted Government Auditing Standards. The third audit of CTPB was completed February 25, 2019 by Propp

Christensen Caniglia, Roseville, CA. They issued a clean opinion of CTPB's financial statement, also known as an "unmodified report" in accounting terminology. These excerpts from the audit provide an overview of CTPB's financial status at the end of its 2017-2018 fiscal year.

Please visit the CTPB website to see the full audit report

<http://www.christmastreepromotionboard.org>

(the audit is posted on the Industry Information page).

STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS – MODIFIED CASH BASIS July 31, 2018 and 2017

ASSETS

	2018	2017
Current assets:		
Operating cash	\$ 1,182,575	\$ 863,779
Cash reserve	–	354,635
Total assets	\$ 1,182,575	\$ 1,218,414

LIABILITIES AND NET ASSETS

Current liabilities:		
Accrued expenses	\$ 72,203	\$ 35,212
Unrestricted net assets:		
Designated by the Board for cash reserves	–	354,635
Undesignated	1,110,372	828,567
Total unrestricted net assets	1,110,372	1,183,202
Total liabilities and net assets	\$ 1,182,575	\$ 1,218,414

STATEMENTS OF REVENUE AND EXPENSES - MODIFIED CASH BASIS For the Year Ended July 31, 2018 and 2017

	2018	2017
Revenue:		
Assessments	\$ 1,587,560	\$ 1,817,050
Interest income	2,336	–
Total revenue	1,589,896	1,817,050
Expenses:		
Promotion committee	913,516	1,439,394
Research committee	237,180	75,567
Industry relations committee	59,616	57,577
Special projects	20,127	–
Professional services	172,120	173,496
Board meetings	37,533	19,196
General and administrative	39,252	40,700
USDA fees	183,382	34,354
Total expenses	1,662,726	1,840,284
Change in unrestricted net assets	(72,830)	(23,234)
Unrestricted net assets, beginning of year	1,83,202	1,206,436
Unrestricted net assets, end of year	\$ 1,110,372	\$ 1,183,202



EDUCATION:

Education: Informing Consumers

For the last three years, the CTPB has teamed up with the National Christmas Tree Association on two critical projects by funding the cost of the **"Voice of the Industry"** and participation in the National Fire Prevention Association trade show.

Each holiday season, the NCTA responds to calls and emails from the media and consumers; posing questions regarding Christmas trees and the industry. The availability of a qualified team member answering these questions is a tremendous asset to the entire industry as factual information is relayed and inaccurate stories are addressed.

NCTA's seasonal spokesperson, Doug Hundley, handled 500 emails and fielded calls from 110 media outlets and 42 consumers. In addition, NCTA Executive Director Tim O'Connor conducted numerous media interviews by phone, on camera and by email. A significant amount of media stories on Christmas trees during the 2018 season were influenced by or included quotes from NCTA representatives.

The CTPB also funds the industry's participation in the **NFPA Trade Show**, where industry members talk with fire fighters, fire chiefs and others in the industry. The primary emphasis is to help the fire industry better understand our product from a safety standpoint and to discourage them from participating in "tree burn" demonstrations for the media with dry trees during the holiday season.



CONSUMER AFFAIRS News Guides

The great Christmas tree shortage -- fact or fiction?

The best deals are on the trees that aren't as dense as the storybook kind



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Sales For Real Christmas Trees See A Boost Thanks To Millennials

By ESTHER HONIG • DEC 20, 2018



Square and The National Christmas Tree Association Reveal Why Millennials Might Be Saving the Christmas Tree Industry

New data shows seasonal price changes and 2018 consumer guide to purchasing a Christmas Tree



Christmas Tree PROMOTION BOARD

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CTPB Information

Meet the Board

Eastern Representatives:

Della Deal, North Carolina
Jim Corliss, Maine
Jim Rockis, West Virginia
Gary Westlake, Pennsylvania

Central Representatives:

Rex Korson, Michigan
Beth Walterscheidt, Texas

Western Representatives:

Roger Beyer, Oregon
Paul Battaglia, California
Bob Schaefer, Oregon
Mark Schmidlin, Oregon
Mark Steelhammer, Washington

Importer Representative:

Chris Maciborski, Michigan

Executive Committee:

Chairman, Rex Korson
Vice Chair, Beth Walterscheidt
Treasurer, Roger Beyer
Secretary, Bob Schaefer

Meet the Staff:

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Contact Us:

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E-Newsletter

All growers (even small farms that are exempt) are encouraged to sign up for the CTPB e-newsletter. The e-newsletter is the best place to get up-to-the-minute details on our promotion and research. To sign up, please make your request at:

info@christmastreepromotionboard.org or call **800-985-0773**.