

Real Christmas Tree Board
PO Box 77
Howell, MI 48844



The Real Christmas Tree Board...

*a new name
for the
Christmas Tree
Promotion
Board*

2022 ANNUAL REPORT

Going forward, the CTPB will now be known as the Real Christmas Tree Board. The purpose of the new name is to:

- Make it clear to the media and consumers at-large that we represent the REAL Christmas tree industry.
- Reduce confusion among members of the media and differentiate the Real Christmas Tree Board from other organizations that do not represent the real Christmas tree industry.
- Proudly put "REAL" first!



www.realchristmastreeboard.org

Media Magic for the RCTB

For the former Christmas Tree Promotion Board, 2022 represented a fresh start with the consolidation of all PR and advertising under one agency roof... as well as a fresh approach to the consumer campaign and to the organization itself... which ultimately resulted in fresh success, including unprecedented results in media relations.

The year kicked off with the rebranding of the organization as "The Real Christmas Tree Board." The new name came with a new logo, and both were designed to reduce confusion among the media and sharpen focus on the Board as the go-to authority on real Christmas trees.

Pre-season outreach to media in July announced the change, teased new research findings, and explicitly asked media to contact the RCTB throughout the holidays. Combined with search-engine marketing to make it easier for journalists to find an expert and ongoing in-season efforts, the new positioning and early contact yielded better than a 400% increase in unsolicited media inquiries compared to 2021!

The RCTB also saw a 230%+ increase in visits to the website newsroom compared to 2021.

But the year would come with hurdles. Knowing inflation would be THE story of the season, your agency team recommended RCTB get in front of the story and influence it rather than let it simply "happen to us."

We used data from a market outlook survey of the largest Christmas tree producers combined with our newest consumer research to frame our story early so other voices wouldn't control the narrative.

The strategy worked. RCTB became the go-to source for media across the country with relevant, credible, and useful data from real Christmas tree growers.

The result? More than 1,000 media placements and 1.4 billion impressions using RCTB data.

For the most part, the media either simply reported our data or — better yet — included a panic-free view of the market that was sympathetic to growers and relayed that buyers of real Christmas trees think they're "worth it" despite expected price increases.

The year also brought an overhaul of the consumer campaign. With the debut of "Joy to the Real," the Board focused on the emotional impact of real Christmas trees — joy — as it happens... from deciding where to buy to flipping the switch on the lights and breathing in that scent.



Media Magic *continued...*

This “perfectly imperfect” journey to real Christmas tree joy was showcased through real-life videos from real-life, real tree fans. In addition to the main video, nearly 75 new creative assets were delivered across a range of digital media, resulting in 18.2 million paid media impressions. (See related article on next page.)

An overhauled website at RealChristmasTreeBoard.com was supported by paid search engine marketing, or “SEM,” during our fourth quarter push. SEM is designed to deliver your site as a sponsored result when people search on relevant terms, such as “Christmas tree,”.

The Real Christmas Tree Board delivered a steady flow of “Joy to the Real” messages all season long, not only through advertising, but also through media outreach about our consumer survey results... and through partnerships with influencers who shared their real Christmas tree stories... and with a satellite media tour that took spokespeople from television station to television station coast-to-coast... and via a whimsical infographic that focused on brand new data about the popularity of the scent of real Christmas trees... and with a late-season press release designed to reassure Christmas Eve Traditionalists, Mid-Decemberists, and Treecrastinators and... more!

All told, this fresh start with a fresh approach delivered a record
2.3 BILLION IMPRESSIONS

But most importantly, the Board's authority star is rising. Our positive messages dominated the season's coverage. And all those great campaign assets are already set to work hard for you next season as well. *Check out the campaign at the consumer website:*

www.realchristmastreeboard.com



Meet the Board:

Eastern Representatives:

Chuck Berry, Georgia
Renee Beutell, North Carolina
Charles Fowler, North Carolina
Gary Westlake, Pennsylvania

Central Representatives:

Derek Ahl, Wisconsin
Jane Neubauer, Ohio

Western Representatives

Mike Cocco, California
Roger Beyer, Oregon
Mike Jones, Oregon
Bob Schafer, Oregon
Mark Schmidlin, Oregon

Importer Representative

Larry Downey, Quebec, Canada

Meet the Staff

The RCTB is managed by Gray Management, LLC:

Marsha Gray – Executive Director,
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Cyndi Knudson – Director of Research
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Jenny Tomaszewski – Administrative Assistant
Jenny@realchristmastreeboard.org

Beth Kohn, BAK Bookkeeping – Bookkeeper

Contact Us:

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Top Photo: Retailer, Beau Coan and Nicole Jolly, host of True Food TV's "How Does it Grow" fielded 30 television and radio interviews in the 2022 satellite media tour.

Bottom Two Photos: Social media influencers, Dude Dad and (below) April Athena used their unique styles to share their love of real Christmas trees with their millions of fans and followers.

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Consumer and Grower Surveys Fuel Media Interest

Takeaways from the 2022 annual consumer survey as well as an informal large grower survey provided important datapoints that generated valuable and frequently referenced messages in 2022.

Knowing that inflation would be the story of the season, the RCTB was able to provide a perspective from consumers, as real Christmas trees being “worth” an increased price. We were also able to provide context in the industry’s expectation of how inflation may increase prices, but not as significantly as many would assume. This was followed by our seasonal release and infographic announcing that real Christmas trees were consumers favorite scent of the season!

From the early September supply release:

Bottom line: 2022 will look a lot like 2021

“The real Christmas tree industry met demand last year and it will meet demand this year,” said Marsha Gray, Executive Director of the Real Christmas Tree Board. “This is essentially a year without surprises.”

“Our annual consumer survey showed that 86% of real Christmas tree buyers said they had no problems finding a place nearby to buy their tree last year,” said Gray. “And 87% told us they found the tree they wanted at the first place they looked.”

“We expect this year to be no different,” she said. “The grower survey tells us demand is healthy. Retailers see steady consumer interest in real Christmas trees and right now supply is pretty well matched to that interest. The majority – 67% of the wholesalers we talked to – said they expect to sell all the trees they plan to harvest this year. In terms of volume, more than half – 55% – said they expect to sell about the same amount of real Christmas trees as they did last year. The balance was divided: Some expect to sell more, some less.”

Here are some of the other wholesale grower survey findings:

Input costs are up for everyone.

All respondents estimate their input costs have increased compared to last year. The most frequently cited range of increase was 11% to 15% (36% of respondents), but more than a quarter (27%) put it even higher, at 16% to 20% compared to last year’s input costs.

Growers anticipate increasing their wholesale prices.

The majority of growers (71%) cited a likely wholesale price increase of 5% to 15% compared to last year while 11% of respondents anticipated increasing their wholesale prices by a more modest amount: up to no more than 5% over last year. Another 11% put their anticipated price increase at 16% to 20% more than last year.

No plot twists

“There are no plot twists in the real Christmas tree story this year,” said Gray. “Just the steady hand of professional growers bringing joy to consumers and business savvy to the marketplace.”

Gray has advice for people who cry wolf about the supply of real Christmas trees each season: “Remember that no one story is the whole story. It has always been the case that this retailer may sell out earlier than that retailer, but neither one provides a complete



picture. The real Christmas tree industry is bigger than any one farm, retailer, or region -- and we've never run out of trees."

Inflation has been the dominant story of the year when it comes to consumer products, so Gray returns to the consumer survey for additional perspective.

"While our grower survey tells us wholesale prices are likely to be higher for real Christmas trees this year, our consumer survey tells us people expected as much," said Gray. "The good news is fans of real Christmas trees say they believe the trees are worth the price and they are willing to pay more this year if necessary to get one – and that's not a surprise either."

See all RCTB press releases:

www.realchristmastreeboard.com/newsroom/

2021-2022 Christmas Tree Research

The RCTB invested \$272,815 in twelve Christmas tree research projects in FY 2021-2022; addressing issues that impact Christmas tree growers across our growing regions.

Efforts to control **Elongate Hemlock Scale (EHS)** in Christmas tree fields and to prevent its spread is addressed by several projects. The Connecticut Agricultural Experiment Station is studying integration of biological and chemical control of armored scale pests. Patterns of severe armored scale infestations in Christmas trees suggest that current practices are damaging to predators and parasitoids that otherwise would hold these insects in check. Testing insecticide chemistries that would be less toxic to natural enemies and including biological control with parasitoids may provide better options for growers in EHS areas.

In North Carolina, researchers are interviewing growers about current EHS control strategies and outcomes and matching this with field evaluations of effectiveness. Researchers are collecting samples of EHS and natural enemies and scrutinizing the timing of EHS life stages throughout the year to refine efficacy of management strategies. Select Fraser fir genotypes are being monitored to identify genetic solutions to scale management.

A research project at West Virginia University continues previously funded work that identified a fungal insect pathogen *Conidiocrella luteostrata*, and is assessing the effectiveness of this pathogen for EHS control. Included is the investigation into natural outbreaks of the fungal pathogen and laboratory assays necessary to lay the groundwork for possible commercial formulation and application.

A collaboration between scientists at Washington State University, North Carolina State University and USDA ARS, is investigating the potential effectiveness of postharvest fumigation treatments with Bluefume (HCN) in killing EHS life stages on infested Fraser fir and determine the effects of HCN fumigation on the postharvest quality of non-infested common Christmas tree species.

Dalhousie University is employing multispectral sensors as a **non-destructive measurement of tree nutrition**. Tissue and soil samples are collected from Christmas tree fields and correlated to imaging data obtained by unmanned aerial vehicle equipped with a multispectral camera flown over these same fields. Data is being analyzed to create a predictive model to determine tree nutrition based on multispectral data. The relationship between soil and tree nutrition is also being established. Ultimately this could be used as a tool by industry to determine tree fertilizer requirements, reducing producer costs and decreasing adverse environmental concerns through denitrification or nutrient leaching.

Mississippi State University is evaluating the **viability of several seed sources of native tree species** (Atlantic white-cedar, spruce pine, Virginia pine, eastern white pine, pocosin pine, and eastern redcedar) as alternatives to a standard and an improved Leyland cypress cultivar across the southern Coastal Plain. The matching of native species to suitable sites will result in more sustainable systems that require less fertilizer, irrigation and pest and disease control interventions, ultimately increasing the value of products through good land stewardship.

A project at Oregon State University investigates newer chemistries for **controlling weeds** in Christmas tree fields. Both preemergence and postemergence chemistries are being evaluated for weed control and their ability to manage weeds that are resistant to commonly used herbicides. Data is collected on tolerance of newly planted fir to the selected herbicides and effectiveness of season-long weed control.

Researchers at the University of New Brunswick are constructing a **life cycle analysis (LCA) calculator for carbon sequestration** specifically for use by individual Christmas tree growers. Their proposal includes the development of a user-friendly program/spreadsheet, where a producer can input growing practices from planting to harvest to determine the net carbon sequestered per tree.

Continued funding was provided for several multi-year projects:

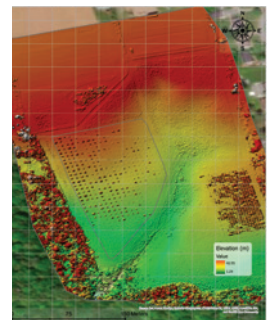
- Assessment of the viability, vigor, and growth of Nordmann and Turkish fir seeds exposed to heat treatments to kill *Megastigmus* larvae at Washington State University.
- Identification of balsam fir trees that, in addition to being phenotypically 'good Christmas trees', have growth characteristics necessary to perform well under climate change and to determine the level of genetic control of these characteristics. University of New Brunswick
- Michigan State University continues work on control of coning in Fraser fir through the use of plant growth regulators (PGRs) to reduce cone formation, identification of Fraser fir genotypes for delayed coning and identifying environmental factors controlling coning in *Abies* Christmas trees.

A full listing of RCTB-funded research projects can be found on the Research tab of the RCTB website:

www.realchristmastreeboard.org



Trimect spray: A research technician applies plant growth regulator, Trimect, to research control of cone formation by Fraser firs



A multispectral image of a Christmas tree field displays nutrient density data.

2021-2022 Financials

The Real Christmas Tree Board (Christmas Tree Promotion Board) 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 fifth audit of RCTB/CTPB was completed in October of 2022 by Propp Christensen Caniglia, Roseville, CA. They issued a clean opinion of RCTB's financial statement, also known as an "unmodified report" in accounting terminology. These highlights from the audit provide an overview of RCTB's financial status at the end of its 2021-2022 fiscal year. *Please visit the RCTB website to see the full audit report*

www.realchristmastreeboard.org/industry/

STATEMENTS OF REVENUE AND EXPENSES – MODIFIED CASH BASIS For the Year Ended July 31, 2022 and 2021

	2022	2021
Assessments	\$1,750,642	\$1,789,800
Donations	4,819	2,214
Interest Income	4,756	4,247
Total Revenue	<u>\$1,760,217</u>	<u>\$1,796,261</u>
Expenses:		
Promotion Committee	\$1,016,726	\$948,172
Research Committee	285,658	345,846
Industry Relations Committee	32,033	24,944
Professional Services	220,258	211,688
Independent Evaluation		1,500
Education	8,255	12,025
Board Meetings	58,513	763
Compliance Auditing	32,104	33,433
Bank Fees	4,100	4,292
Insurance	2,503	1,566
Office Expenses	4,524	4,148
Other Administrative Costs	12,154	8,317
USDA Fees	63,996	76,874
Total Expenses	<u>\$1,741,094</u>	<u>\$1,673,568</u>
Change in unrestricted net assets	\$19,123	\$122,693
Net assets without donor restrictions, beginning of year	1,554,962	1,432,269
Net assets without donor restrictions, end of year	<u>\$1,574,085</u>	<u>\$1,554,962</u>

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS July 31, 2022 and 2021

ASSETS		
	2022	2021
Assets:		
Current Assets:		
Operating Cash	\$1,712,239	\$1,633,155
Cash Reserves	224,668	224,668
Total Assets	<u>\$1,936,907</u>	<u>\$1,857,823</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued Expenses	\$362,822	\$302,861
Net Assets without donor restrictions:		
Designated by the Board for cash reserves:		
Reserve for future projects	107,318	107,318
Reserve for Research	117,350	117,350
Undesignated	1,349,417	1,330,294
Total Net Assets	<u>\$1,574,085</u>	<u>\$1,554,962</u>
Total Liabilities and Net Assets	<u>\$1,936,907</u>	<u>\$1,857,823</u>