

YOUR AGRO-BUSINESS SOLUTION

www.solutionsaffaires.ca 819.849.0644 accueil@solutionsaffaires.ca

- Business Plan
- Financing Research
- Technical and Financial Analysis
- Executive Coaching
- Business Transfer
- Evaluation of Agricultural Losses

...and much more



Rethink Your Farm Business

Jingle bills, Jingle bills, Jingle all the way!

The ups and downs of Christmas tree production



Robert Savage, Agronome, MBA, CEO

Solutions affaires experts-conseils

We would like to thank those who found the time to submit requests to the Quebec Farmers' Association regarding future topics. Your ideas and comments are always welcome and most appreciated. After all, our articles are intended to provide you with useful, and hopefully entertaining, information. So, bring on the suggestions!

Now, let's talk about the Holiday Season.

With the Christmas season unquestionably coming our way, fresh cut Christmas trees are being sold just about everywhere and anywhere. Not so long ago, most Quebec families would simply take a walk to the

closest woods to cut their not-so-perfect, but, nevertheless, perfectly free Christmas tree. Today, you can purchase your precious evergreen tree, what goes underneath it, and the necessary medication to relief the stresses of a memorable family gathering at your closest pharmacy. How convenient, indeed!

But what provides Quebec Christmas tree growers with their largest and most profitable market is undoubtedly our American neighbours. However, since our Canadian dollar has regained its past vitality, thereby lowering the outrageous 40 per cent exchange rate to something approaching par, economic sectors, such as our Canadian Christmas tree industry, have not been enjoying their most glorious years. In other words profits and exchange rates go hand-in-hand. When the exchange rates drop, so too will profits, and vice versa. Exchange rates, coupled with a serious economic crisis, have forced numerous American families to choose food on the table over a tree in the living room. Moreover there is the added factor resulting from the fact that there are thousands fewer U.S. homes in which to put up a tree.

Now, let's agree, a Christmas tree is... a tree, but a field of Christmas trees, well aligned, nurtured and harvested, is a

farming activity, not forestry. Furthermore, once cut, those trees have limited lifespans, making them perishable agricultural products. As with any farming production, Christmas tree production requires proper soil, up-to-date knowledge and solid skills. If you find yourself tired of milking your cows and are considering changing to a rumoured not-so-demanding Christmas tree production, you'd better think about it twice and be prepared to be very patient. After all, if everything goes according to plan, you should start realizing income from your first harvest in seven or eight years.

If, however, you are really serious about such a new career project, get into your car and visit us in the Eastern Townships. Pioneers such as the Downeys in Cookshire, the Beloins in East Hereford, and many other renowned families need no further introductions. They know their stuff, and so does agronomist, Pierre Pettigrew, the only MAPAQ adviser dedicated to the Christmas tree industry in the entire province of Quebec. You will find him in Sherbrooke.

Be ready to hear about marketing strategies, which is one of the major successes of this industry, all of which could explain why, in an actual situa-

tion in the exact same year, saw one producer complaining to me about hardly getting \$6 per tree, while his neighbour was pocketing up to \$12.50 per tree. The first one was involving a wholesaler, whereas the second one had developed a well-structured and diversified marketing strategy. Finally, since your main customers are located in the territory of Uncle Sam, being able to speak English is mandatory.

You should also be aware of the new trends. A Balsam tree may smell like Christmas, but unfortunately it can barely make it to December 25th without shedding most of its needles. On the other hand, its cousin, the Fraser tree, is rather odourless,

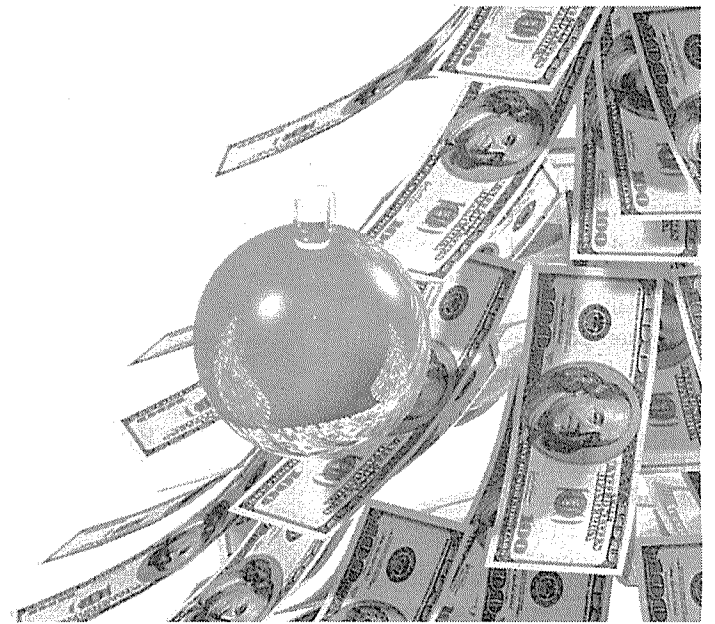
but can keep its greenery until Epiphany. Customers, therefore, started sacrificing odour in favour of longevity. The king of longevity, of course, is the versatile artificial Christmas tree. It, for sure, is a fierce competitor, but not a dominator of a natural tree... at least not yet.

The main preoccupation of Canadian Christmas tree growers remains their dependency on the American market. They surely could strive to increase their sales in places like Panama, Venezuela, Aruba, and the French Antilles, a Canadian exportation market of \$2.4 million in 2009, but it sure doesn't come anywhere near close to the \$26 million US market.¹

The saying, "One man's trash is another man's treasure," doesn't always prove to be true. Should President Obama succeed in reviving the American economy, it will also be a shot in the arm for our Christmas tree industry. Meanwhile, let's enjoy Christmas and all it has to offer, including a real Christmas tree!

Having worked for over 16 years for various financial organizations, Robert Savage, founder of Solutions affaires experts-conseils, has established an innovated approach to farm consulting services. With the help of a multidisciplinary team of experts, Solutions affaires experts-conseils can get your farm on its way to greater profitability by working with your existing resources and by having access to a network of professionals involved in agri-business.

¹ Source: Statistics Canada. Christmas trees... by the numbers 2010. December 2, 2010. www42.statcan.ca/smr08/2010/smr08_148_2010-eng.htm



JAMESWAY

FREESTALL BARN MANURE SYSTEMS

ALLEY SCRAPER SYSTEMS

CROSS-GUTTER SYSTEMS

- GUTTER-CAT CROSS SCRAPER
- SHUTTLE-STROKE CROSS CLEANER
- FLUSH-FLUME SYSTEM
- LIQUI-TRANS PISTON PUMP
- SEMI-TRANS PISTON PUMP
- SOLID-TRANS PISTON PUMP
- ELECTRIC PROP AGITATOR

TRANSFER PUMP SYSTEMS

- B-15/16 CROSS CLEANER
- B-15/16 CHAIN SCRAPER
- DURA-CHAIN SCRAPER
- XD-SERIES CABLESCRAPERS
- VERTICAL PUMPS
- MECHANICAL PISTON PUMP

www.JameswayFarmEq.com

146600