

California Christmas Tree Association

the bulletin brief

January / February 2016



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President's Message

Look out 2016 here we come! We trust you had a fantastic year and profitable selling season. The weather sure seemed to be in our favor at Snowy Peaks, and hope it was the same for you. Now that you have counted trees sold, tree standing in the field for next year, compared order sheets with trees sold (hopefully not any trees burned), and most importantly been to the bank, it's time to prep for tax time and look forward to tree pruning, culturing and selling for 2016.

As I look at the prospective agenda for the meeting on March 5, it certainly appears to be a winner. We plan lots of involvement from the members. As El Nino rolls along we, who don't irrigate, are watching all those lovely rain drops and snowflakes fall. Our expectation (maybe naïve of me) is that the water districts, that you who irrigate depend on, will loosen up the restrictions and give you some of this beautiful moisture. All our new seedlings will certainly appreciate it.

A hearty welcome to the new owners of Little Bear and Mt. View. We hope that your selling seasons went especially well and that the faith you had in your investment was realized. We also invite any questions you all have now that you have had a full season. Individually or as a group, we are committed to helping each other with big or small questions. Let all our experiences help you out.

We will see you in March in one of California's many desirable locations. While we don't want to dismiss ANY rain, it would be lovely for El Nino to take a tiny break for 1 day.

*All the best to you all -
Ginger Armstrong*

EXECUTIVE DIRECTOR'S REPORT

By Sam Minturn

Have you ever wondered what your Executive Director does during the month of December? You'd be wasting your time if you spent more than 30 seconds on this subject. I think it was Bud Lyon who said he spent the Selling Season loading cash into a wheelbarrow and hauling it down to the bank. I've tried to copy this memorable routine but Reporters from all over the country kept interrupting this exercise wanting to know how the drought affected the Christmas tree crop in our Golden State in 2015.

After telling them we don't tabulate the Sales Surveys you return to us until March, I then share with them the anecdotal info some of you had shared with me. BUT WAIT. Why not get it straight from the horse's mouth so to speak (sorry if you don't like that comparison but think Secretariat)? You can do this by coming to Monterey, CA on March 5 and share your story, your concerns, and your advice with all of us in a relaxed and comfortable setting with snacks nearby.

We've had a couple of people interested in joining our Association and they ask what are the advantages of belonging to CCTA. There are lots of good answers to this question – we have a brochure called from "A to Z" that gives several good reasons but after being your leader since 1999 I feel the best reason is that none of us know all the answers but we are willing to share what we have learned – the good, the bad, the ugly – with each other especially at our meetings. Some of you aren't able to attend them and I've tried to visit your farm or business when possible but there are still a few of you that I haven't met in person. We'd love to see you in Monterey on March 5 if this applies to you. For starters, you'll receive a nice can of tasty almonds. And I believe you'll see that we are very dedicated in helping you succeed in our unique and wonderful business. Let me be the 317th person to wish you a Happy New Year.



DON'T MISS THE ANNUAL MEETING IN LOVELY MONTEREY, CA

Best Idea Contest - winner receives 1 gallon of Round-up

Christmas Check-off Program

As you know, the Christmas Check-off Program finally got approved and is up and running. Members are encouraged to Check out the Christmas Tree Promotion Board's new website at www.christmastreepromotionboard.org.

All Christmas tree growers are required to file. Those who harvested less than 500 trees may file for an exemption, and those who harvested more than 500 trees are required to file and remit fifteen cents per tree sold. Assessment and exemption forms can be downloaded from the website in the Industry Information tab

Deadline for filing is February 15, 2016. Official notices and filing forms have been mailed out to Growers listed in the CTPB data base. Growers that have not received a notice, should go to www.christmastreepromotionboard.org. Fill out the "Quick Notice" to request a filing form and to be added to the mailing list.

Christmas Tree Promotion and Research Order FAQ's

The 2015 Christmas season is the first time Christmas tree growers will market trees under the Christmas Tree Promotion, Research and Information Order (otherwise known as the Christmas Tree Checkoff).

Who is required to pay the assessment?

The payment of assessments on domestic Christmas trees that are cut and sold will be the responsibility of the producer who produces the Christmas trees or causes the trees to be cut. Each importer of Christmas trees shall pay the assessment to the Board on Christmas trees imported for marketing in the United States during a marketing year. Any producer who cuts and sells less than 500 Christmas trees in a fiscal period or any importer who imports less than 500 Christmas trees in a fiscal period may obtain an exemption from the assessment. Growers who seek the 500 tree exemption must provide documentation of annual tree sales records verifying a volume of less than 500 trees or a statement of number of trees produced and harvested annually, and acreage of their tree farm that matches with an annual sales volume of less than 500 trees/year along with the signed exemption form.

Various business activities that are common in the industry may cause some confusion on who is required to pay the assessment; one rule simplifies that decision. Whoever owns the trees at the time of cutting pays the assessment. Some examples of how this rule applies:

1. If trees are purchased on the stump, the purchaser who is now the owner (and owner of the trees at the time of cutting) pays the assessment.
2. Choose and cut operations pay the assessment on all the trees they sell, even though their customers may actually cut the trees, because the choose and cut operator owned the trees when they were cut.
3. The assessment on trees purchased as cut trees from another grower in order to be sold (wholesale trees) are paid by the grower who owned the trees at the time of cutting and then sold them, not the individual who purchased them to add to their retail inventory.

What is the assessment rate? When is payment due? Are there late payment penalties?

CCTA Growers participating in 2015 Trees 4 Troops Donation Program:

- Jim & Ginger Armstrong, Snowy Peaks CTF, Long Barn, CA
- Paul & Ed Battaglia*, Battaglia Ranch, San Martin, CA
- John & Tina Bourdet*, Bourdet Tree Farm, Hollister, CA
- Don & Marilyn Cameron, Christmas Ranch Tree Farm, Simi Valley, CA
- Anthony Dal Bello, Anthony's Christmas Trees, Santa Barbara, CA
- Sam and Janet Minturn, Hilmar Christmas Tree Farm, Hilmar, CA
- Don & Peggy Moore, Twain Harte Tree Farm, Twain Harte, CA

Cash Donations:

- Ted & JeriLynn Seifert, Silveyville Christmas Tree Farm, Dixon, CA
- Elizabeth Phillips, Greenwood Christmas Tree Farm, Greenwood, CA

** Also provided Fed-Ex drop-off location*

The assessment is 15 cents per Christmas tree produced and sold domestically or imported into the United States. All assessment payments are to be received by the board no later than February 15 of the following year in which they are cut and sold. A late payment charge plus interest will be imposed on any producer or importer who fails to remit to the board the total amount for which such producer or importer is liable on or before the due date. No assessment is owed on trees that are donated or trees that are cut but never sold.

How are assessments paid?

The CTPB will provide remittance forms to the industry with detailed instructions on where and how to send payments. Payments will be made to the CTPB by check and sent directly to the CTPB's bank lock box as designated by the board.

Why is a business ID number required?

It isn't unusual for farms or growers to have the same or similar names. Your business ID number ensures your assessment payment is recorded correctly. All information connected with assessment payments is strictly confidential and only seen by the staff managing the CTPB. USDA regulations impose penalties if this confidentiality is breached.

Where can I learn more?

The best source of information for the Christmas Tree Promotion and Research Order and the activities of the CTPB is our website: www.christmastreepromotionboard.org. At the website you can learn more about the Order, view and engage with the public relations and social media efforts, download program forms and update your contact information.

National Directors Report

by Joe McNally

1-14-16

The day I started writing this column it was raining fairly hard, enough so to make my computer connection and telephone landline not work well. I called the National headquarters to try and get a "work around" on the computer and ended up speaking with Rick Dungey, the executive director.

Rick reminded me why our industry does so well. During the time when we growers and retailers are at our busiest, during the selling season, Rick and his staff are fielding questions from media and steering the media to the best possible spin we can get.

National received and replied to 426 emails from consumers and news media. They also received and replied to about 115 incoming phone calls.

Every year there seems to be some new "hot button" issue(s) or topic(s) that gets latched onto, which requires immediate action and coordination.

Here's an example of an inquiry prompted by these kinds of statements:

From: Graff, Amy

Sent: Monday, November 30, 2015 2:17 PM

To: NCTA-Dungey <dungey@realchristmastrees.org>

Subject: Christmas Trees California Drought

Hi Rick,

I'm a news producer for SFGate, largest news site in San Francisco Bay Area.

I'm writing a story about this year's Christmas tree crop. There are some stories reporting that there are fewer and smaller trees due to the California drought. I saw your release addressing this issue but I'd love a statement. Also, I'm wondering if you have info addressing California directly. On deadline. Please get in touch asap.

NCTA created a consumer alert, distributed on the press page of the website and also to all state associations. This alert informed consumers that drought in one area does not impact their tradition of a fresh, farm-grown Christmas tree (protecting sales in other states/areas). Could any of you do a job in a timely manner like what Rick and his staff did?

Drought in California....this can always be a tricky issue, especially when reporters and consumers get many conflicting statements and viewpoints. There were Christmas tree retailers who stated that the drought had caused a significant decrease in tree supply and consumers should expect higher prices because of it. There were also statements from the fake tree people (American Christmas Tree Association) that each Real Christmas tree took thousands of gallons of water to grow and required many gallons more while displayed and so had a bad impact on drought stricken areas. It was my personal experience that drought, though hard to deal with, didn't cause a rise in price; my farm used 50 percent less irrigation water than normal, with little, if any additional tree mortality.

The price of trucking, driver shortage, and harvest labor shortages were not really acknowledged by media, that's what the media spinners at National do. This is the year when long term relationships with wholesale growers and truckers paid dividends to those of us who have kept up those relationships.

Earlier the morning when I first started writing this column, I made my first ever payment to the Christmas Tree Promotion Board. I'm excited for what should happen with research and promotion dollars in the future. I also tried to pay my 2016 National Christmas Tree Association Membership online that same morning but with the poor phone connection I had to put that task off till later in the day when I paid the old fashion way with a check mailed through the U.S. Postal service.

Dues and opportunities

Dues structure/membership has been changed, starting Jan 1, to more straightforward categories. For you who would be new to National it's a \$99 introductory offer. An Industry Membership, the one most appropriate for CCTA style growers and retailers, is \$299. Professional Membership is \$599 plus Advocacy Sponsorship: this would be where you support directly your favorite cause/program. Suppliers are \$433. Researcher Membership, those who have an .edu or .gov email address are free. As you can see, membership prices go up as the need for benefits/services increases. The former additional fee per tree has been eliminated.

Trees for Troops, (T4T) 2015 update

At my farm, Mountain View Christmas Trees, we collected what I consider a large sum of money in a donation jar located at our pay station. One of my employees, Kenny, a former marine, wore a T4T apron whenever working with customers. I encouraged Kenny to talk up the T4T program as much as he liked. Apparently Kenny did a very good job.

Our farm also advertised that during the third week of sales we would donate 15% of the week's sales of all of our pre-cut trees to the T4T/Christmas Spirit Foundation program. As it turned out, we were desperately low of pre-cut stock and would not be able to get additional pre-cut trees to sell. We feel that our 15% donation usually helps with generating sales interest, and getting extra pre-cut trees is easy but this year our farm was caught behind the curve. Not able to get additional pre-cuts even though our customers wanted them. In all, it was a good year for my sales. A fantastic year for T4T, 3rd biggest ever, 18,833 total trees donated to 65 military installations located in 23 different states plus 200 trees air freighted overseas.

Drought insight

Those of you relying on State Water Project water may have some irrigation water this coming summer. It's raining up here now and hopefully the rain will continue. Our farm is above and drains into Lake Oroville, which is very low, but it is currently raining, hopefully to continue.

*Joe McNally & Anne Benoit
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The Bulletin is a membership publication of the California Christmas Tree Association, a non-profit organization, by and for its members. The Bulletin is published four times per year in January, April, July, and October. The deadline for advertising material and other copy is the 15th of the month preceding publication. Members and others are encouraged to submit articles, announcements, photographs, drawings, news and views concerning any aspect of the California Christmas tree industry. Submit all materials for publication to the CCTA office. The Bulletin staff and the California Christmas Tree Association, however, assume no responsibility for accuracy and validity of claims in advertising and editorial reports. Opinions expressed by writers in by-lined articles are their own and not necessarily those of this magazine or CCTA.

Workmen's Comp Insurance

Several of you have contacted us regarding unbelievable raises in State Fund insurance for 2016. We are fortunate in having one of our members, Erik Hoffner, who is a broker for several insurance companies. He and his wife, Lisa, run Peacock Tree Farm in Los Gatos. He is willing to advise any of you with this problem and give you his best advice. You can reach him at 408-472-7059.

Seedling Order Protocol

The "good 'ol days" of ordering seedlings at the last moment are over. Nurseries used to plant extra seedlings they called "Spec" and often ended up having to destroy them for lack of orders. They now plant only what they have contracts for. Since it takes several months or even years to raise a seedling to a proper height, it means that tree growers need to plan up to a year ahead in ordering seedlings - this also means you need to make a deposit when ordering.

If you have been paying attention, we put together some group orders in 2015 for our members. In one case this involved purchasing seed from a different source and then shipping it to the nursery that was growing the seedlings. We will continue to do this - just make sure you get your order in at the proper time before our deadline. Make "Plan Ahead" your new year's resolution for 2016.

CCTA Annual Meeting - March 5th, Monterey, CA

3 (or 4) Great Reasons to Attend:

- Win a valuable prize if you have the winning idea in our "Best Idea Contest"
- Learn, discuss, share ideas on Drought Management of Christmas Trees
- Overview of the 2015 Selling Season - developing trends, winning promotional ideas, and more

Annual Meeting Registration Packet will arrive soon by snail mail

We look forward to seeing you there - especially if you haven't attended before - try it, you'll like it!



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