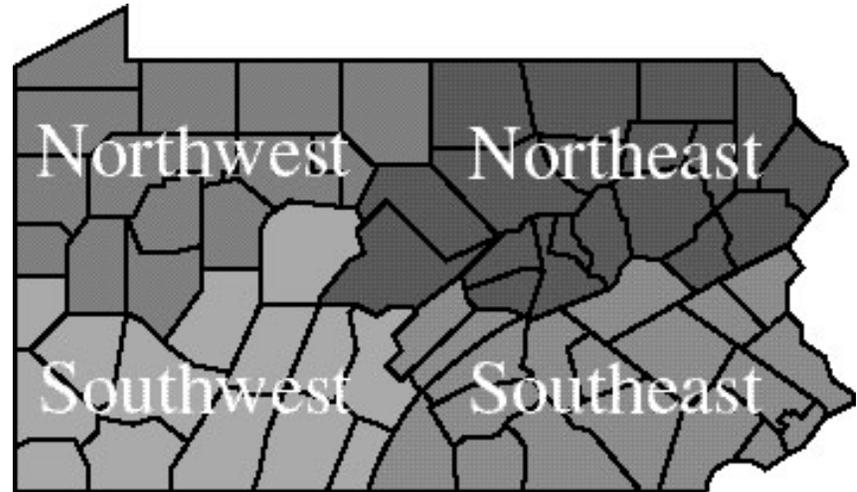


Pennsylvania Woodlands
**TIMBER MARKET
REPORT**

**First Quarter 2005
January - March**



**The Pennsylvania State University
School of Forest Resources
Cooperative Extension
7 Ferguson Building
University Park, PA 16802
(814) 863-0401
www.sfr.cas.psu.edu/TMR/TMR.htm**

Pulpwood Stumpage...

Private and Other Public Pulpwood Stumpage

Region	Hardwood Pulp (\$/ton)				Softwood Pulp (\$/ton)			
	Low	Avg	(n)#	High	Low	Avg	(n)#	High
Northeast	1.00	3.40	(5)	6.00	0.00	0.00^	(1)	0.00
Southeast	0.00	0.50	(3)	0.50			(0)	
Northwest	0.00	1.84	(30)	6.00	1.00	1.57	(7)	2.00
Southwest	0.00	1.44	(7)	3.00	0.00	2.50*	(2)	0.00

Bureau of Forestry Pulpwood Stumpage

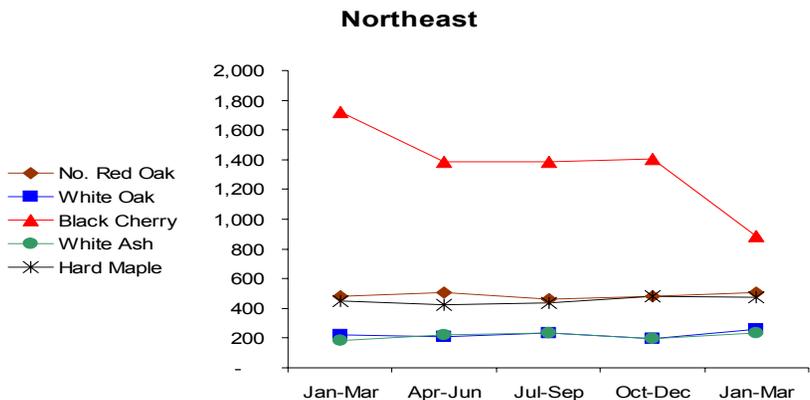
Region	Hardwood Pulp (\$/ton)				Softwood Pulp (\$/ton)			
	Low	Avg	(n)#	High	Low	Avg	(n)#	High
Northeast	3.71	3.91	(3)	4.18			(0)	
Southeast	11.35	12.83	(7)	15.87	7.93	11.33	(3)	13.37
Northwest	3.25	4.04	(4)	5.14	0.00	0.00^	(1)	0.00
Southwest	8.11	12.93	(6)	18.29			(0)	

^ No prices are reported for samples with only a single respondent.

* Ranges are not reported for samples with fewer than three respondents.

Pulpwood Stumpage Prices: The pulpwood stumpage prices are reported in a manner similar to the sawtimber prices. The major difference is that pulp stumpage is split into two categories. The prices are calculated and reported separately because they represent two different types of forest products. The "Bureau of Forestry" category represents not just pulpwood, but firewood and some low-value sawtimber, too. The "Private and Other Public" category represents forest products specifically used for pulp products. This group includes prices reported by loggers, sawmills, forestry consultants, pulp and paper companies, the Pennsylvania Game Commission, and the U.S. Forest Service.

Stumpage Price Trends...



How do I convert log rules?

All sawtimber prices in this report are based on the International 1/4" log rule. The conversion factors used to determine prices in Doyle and Scribner rules are shown below the sawtimber table. Conversion from one log rule to another is somewhat arbitrary in that the conversion factors vary with log size and form class. The conversion factors used to compile this report assume that the average log has a 13-inch diameter at the small end.

Comments:

This quarter's prices are very difficult to interpret. A few key species had major price dips, but on the whole prices remained close to what they were last quarter. Looking at the graphs for trends provide a better picture, and we see prices increasing for the most part in the northern tier and decreasing for prices in the southern tier. We would like to get your feedback about whether we should change the species listed on the annual price trend graphs. For example, should we add soft maple and remove ash or white oak?

Sincerely,

Prepared by: Mike Jacobsen, Ph.D.
Assistant Professor
Extension Forester

Funded by the Renewable Resources Extension Act

Would you like to provide input to the TMR? We encourage all sawmill operators, loggers, and consulting foresters to add their two-cents worth. If you would like to contribute, please complete the following form and send it to 7 Ferguson Bldg, University Park, PA 16802. We'll make sure you get a questionnaire next quarter. Thanks!

(Clip and Send)

Name: _____

Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Check as appropriate: Sawmill _____ Logger _____ Forester _____

Phone: (optional) _____

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This Pennsylvania Woodlands' Timber Market Report gives the prices paid in the Commonwealth of Pennsylvania for stumps (standing timber) and for logs delivered to sawmills during the months of January, February, and March of 2005. Why four different regions?

The four regions, shown on the cover map, were designed to more accurately reflect the forest products in Pennsylvania. The markets within each of the four regions are unique. For example, the quality and quantity of black cherry produced in the Northwest usually surpasses that of the other three. The Timber Market Report's four regions were developed to take these types of differences into consideration while providing an accurate and easily understandable price report. It is important to note that counties in border areas may reflect the trends of all the regions on which they border.

What do the prices mean?

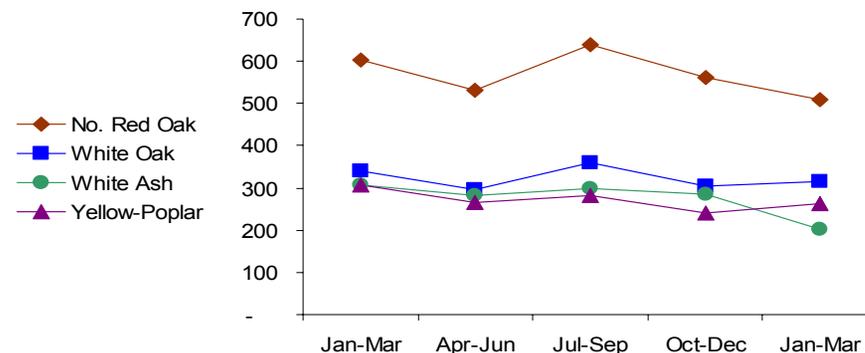
The Timber Market Report reflects the stumpage and mill prices observed over a three month time period. Due to the dramatic changes common among Pennsylvania's timber markets, past reports may not accurately describe the latest market conditions. A current report is the best guide to the current market status. It must be remembered that this report is based on a survey of loggers, sawmills, pulp and paper companies, consultant foresters, and public agencies. The report is intended to describe general trends in the market and ignore specific timber tract variation. In addition, there are many factors which can influence the price of timber found on a given tract of land. These factors include, but are not limited to:

Size, species, and quality of timber	total volume and volume per acre
Logging conditions	distance to the mill
Season of the year	current market conditions
	End product of manufacture

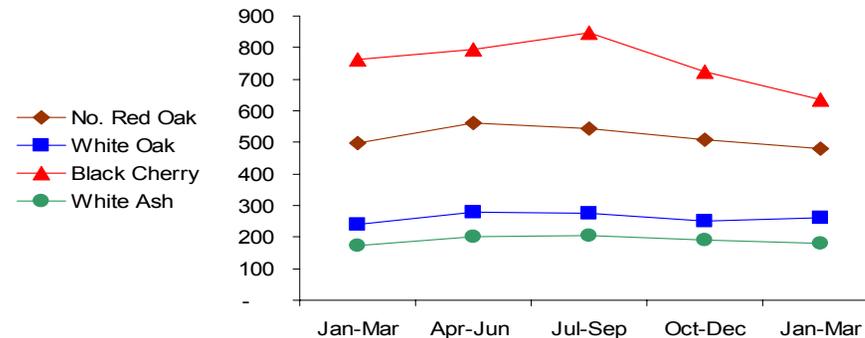
Sawtimber Stumpage Prices: The sawtimber stumpage price found in this quarter's report are based on the average or mean price as determined from the survey information provided by loggers, sawmill operators, forestry consultants, the Bureau of Forestry, the Pennsylvania Game Commission, and the U. S. Forest Service. Along with the average price, the report includes a plus and minus column. These two columns represent the average price plus/minus one standard deviation. The standard deviation is a measure of the variability or dispersion of all the prices reported for a given species. A range of stumpage prices one standard deviation on either side of the average usually includes two-thirds of all the reported prices for that species. This does not represent the complete range of prices in the species, but it tends to eliminate the extreme values. It shows where the majority (two-thirds) of the reported prices lie.

Mill Prices: Mills report on a dollar per thousand board feet basis for the low, medium, high and veneer prices for logs delivered to the mill. The low, medium, and high categories correspond to the Forest Service log grades F3, F2, F1, respectively. The mill prices represent the average of all the prices reported by sawmills across the state plus those out-of-state mills that purchased Pennsylvania logs. Like stumpage prices, these figures are also broken down regionally. Occasionally, the mill prices by grade will appear to be out of order. This anomaly is caused by a limited number of responses in one of the categories. There are commonly fewer observations (the (n) columns), for mill prices since many mills do not report their mill prices because they supply their mills exclusively by purchasing their own stumpage.

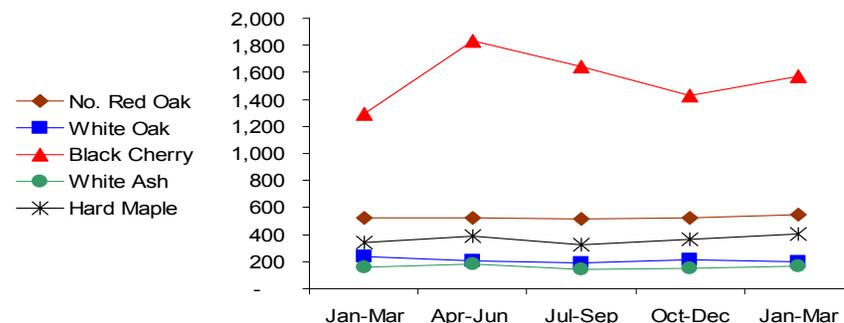
Southeast



Southwest



Northwest



Average price (\$ per MBF, International 1/4" rule) by market report period for sawtimber stumpage sold in Pennsylvania by market region and species.

Pennsylvania Woodlands
TIMBER MARKET REPORT
January-March 2005

Species	Stumpage Prices					Mill Prices						
	Minus (1 St.Dev)	Avg	Plus (1 St.Dev)	(n)#	Low F3+	Med (n)#	F2+	High (n)#	F1+	Veneer (n)#	Avg	(n)#
(\$ per MBF International 1/4")												
NORTHEAST												
Northern Red Oak	391	509	627	(16)		(0)	529	(3)	(0)		945	(1)
White Oak	185	259	333	(15)		(0)	336	(3)	(0)		1005	(1)
Mixed Oak	187	245	303	(14)		(0)	373	(1)	(0)			(0)
Black Cherry	437	886	1335	(12)		(0)	1125	(3)	(0)		1454	(1)
White Ash	165	232	299	(13)		(0)	317	(3)	(0)		775	(1)
Hard Maple	370	473	576	(13)		(0)	584	(3)	(0)		1332	(1)
Soft Maple	124	218	312	(18)		(0)	370	(3)	(0)			(0)
Yellow-Poplar	109	182	255	(10)		(0)	278	(3)	(0)			(0)
Misc. Hardwoods	38	81	124	(15)		(0)	194	(2)	(0)			
White Pine	11	52	93	(10)	151	(1)	208	(3)	259	(1)		
Hemlock	0	27	57	(10)	151	(1)	173	(3)	207	(1)		
SOUTHEAST												
Northern Red Oak	340	509	678	(26)	53	(2)	218	(2)	436	(2)	1294	(1)
White Oak	242	315	388	(22)	53	(2)	153	(2)	306	(2)	777	(1)
Mixed Oak	226	344	462	(25)	53	(2)	132	(2)	173	(1)	259	(1)
Black Cherry	100	403	706	(3)	41	(1)	265	(1)		(0)		(0)
White Ash	127	203	279	(9)	34	(2)	102	(2)	256	(2)		(0)
Hard Maple	139	300	461	(4)		(0)		(0)		(0)		(0)
Soft Maple	79	150	221	(16)	41	(1)	118	(1)	378	(1)		(0)
Yellow-poplar	177	262	347	(22)	53	(3)	161	(2)	377	(2)		(0)
Misc. Hardwoods	113	185	257	(25)	41	(1)	65	(1)	201	(1)		
White Pine	77	117	157	(10)		(0)		(0)		(0)		
Hemlock	95	138	181	(4)		(0)		(0)		(0)		
NORTHWEST												
Northern Red Oak	364	545	726	(33)	227	(4)	363	(4)	506	(4)	846	(3)
White Oak	115	201	287	(23)	125	(4)	211	(4)	300	(4)	846	(3)
Mixed Oak	182	260	338	(20)	129	(4)	211	(4)	322	(4)		(0)
Black Cherry	928	1572	2216	(47)	392	(4)	776	(4)		(0)	2655	(3)
White Ash	92	166	240	(35)	132	(4)	203	(4)	282	(4)	570	(2)
Hard Maple	246	407	568	(43)	273	(4)	503	(4)	711	(4)	1514	(3)
Soft Maple	130	214	298	(48)	154	(4)	282	(4)	402	(4)	466	(1)
Yellow-poplar	46	108	170	(20)	96	(4)	142	(4)	203	(4)	177	(1)
Misc. Hardwoods	8	52	96	(38)	98	(3)	118	(3)	137	(3)		
White Pine	3	49	95	(10)	59	(1)	81	(2)	59	(1)		
Hemlock	2	26	50	(9)	29	(2)	58	(2)	29	(1)		
SOUTHWEST												
Northern Red Oak	285	481	677	(23)	187	(3)	417	(3)	777	(3)	1035	(2)
White Oak	168	262	356	(19)	144	(3)	316	(3)	546	(3)	1036	(2)
Mixed Oak	136	248	360	(21)	151	(2)	259	(2)	345	(2)		(0)
Black Cherry	406	637	868	(16)	223	(3)	690	(3)		(0)	1984	(2)
White Ash	108	181	254	(14)	144	(3)	273	(3)	417	(3)		(0)
Hard Maple	292	439	586	(14)	180	(3)	503	(3)	870	(3)	1208	(1)
Soft Maple	136	208	280	(22)	144	(3)	259	(3)	546	(3)		(0)
Yellow-poplar	60	136	212	(19)	116	(3)	151	(2)	345	(2)		(0)
Misc. Hardwoods	45	104	163	(21)	151	(2)	216	(2)	259	(1)		
White Pine	68	89	110	(6)		(0)	162	(2)		(0)		
Hemlock	52	76	100	(5)		(0)	162	(2)		(0)		

#n is the number of responses used to calculate the price statistics.

Conversion Factors:

Doyle Price=1.695 x International 1/4" Price

Scribner Price=1.159 x International 1/4" Price