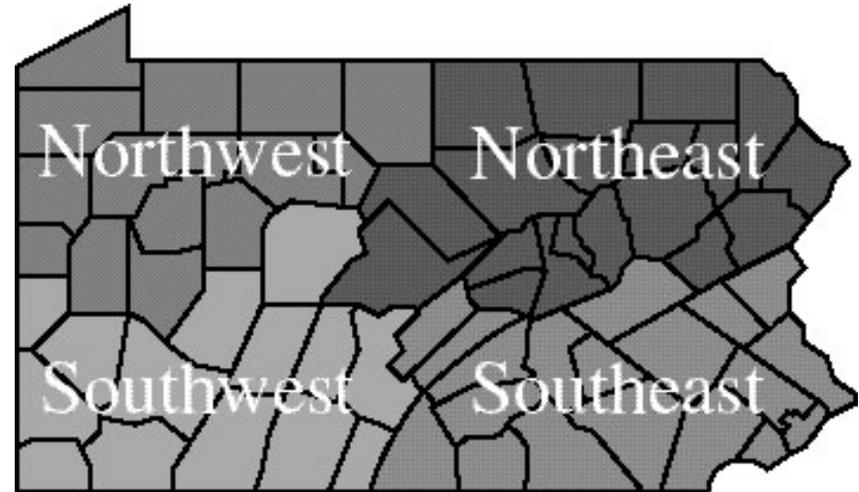


Pennsylvania Woodlands
**TIMBER MARKET
REPORT**

**Third Quarter 2005
July - September**



**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	2.83	(6)	4.00	0.00	2.00*	(2)	0.00
Southeast	0.00	0.00^	(1)	0.00	0.00	0.00^	(1)	0.00
Northwest	0.00	2.27	(24)	6.60	1.50	2.00	(3)	2.50
Southwest	0.00	1.49	(8)	3.00	0.00	3.00*	(2)	0.00

Bureau of Forestry Pulpwood Stumpage

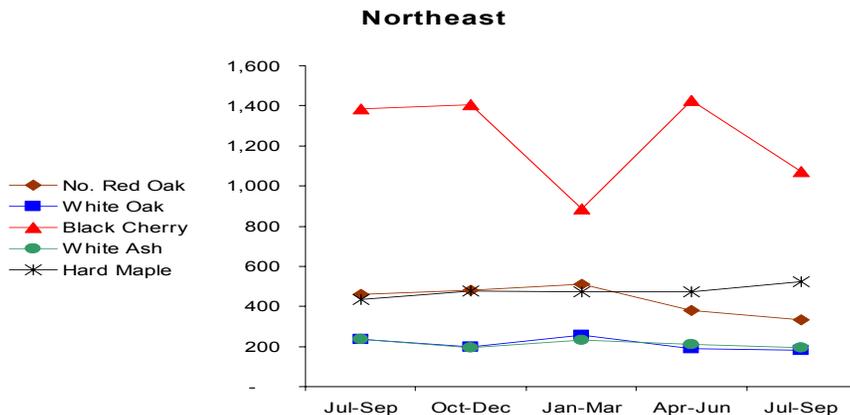
Region	Hardwood Pulp (\$/ton)				Softwood Pulp (\$/ton)			
	Low	Avg	(n)#	High	Low	Avg	(n)#	High
Northeast	0.51	0.74	(9)	1.48	0.00	1.61*	(2)	0.00
Southeast	4.40	6.43	(3)	8.24			(0)	
Northwest	0.80	2.99	(13)	5.60	0.00	0.00^	(1)	0.00
Southwest	3.00	6.85	(4)	14.67			(0)	

^ 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:

Prices, especially for Red Oak, began to rebound from the drastic drop we saw last quarter. The exception was in the Northeast where prices fell for most species. This does not mean Red Oak has reached 'normal' levels. There is still a long way to go to reach last year's prices. No conclusions can be made at this time as to whether market forces that brought the lower prices in the first place have again shifted. Next quarter, it will be interesting to see whether the prices stabilize at these lower levels or begin to climb.

Until next quarter,

Prepared by: Mike Jacobson, Ph.D.
Associate 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 stumpage (standing timber) and for logs delivered to sawmills during the months of July, August, and September 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?

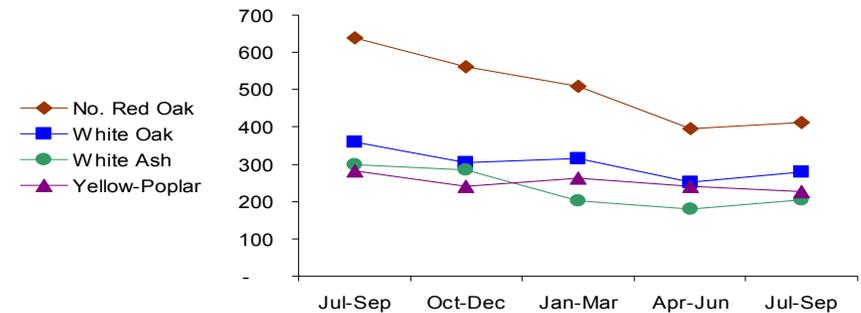
The Timber Market Report reflects the stumpage and mill prices observed over a three month time period. Due to the dramatic changes common among Pennsylvania's timber markets, past reports may not accurately describe the latest market conditions. A current report is the best guide to the current market 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

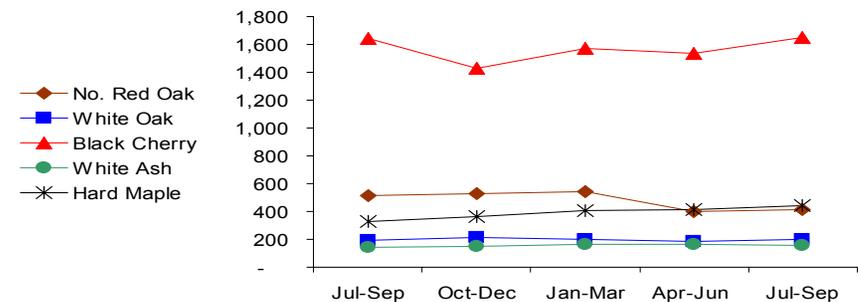
Sawtimber Stumpage Prices: The sawtimber stumpage price found in this quarter's report are based on the average or mean price as determined from the survey information provided by loggers, sawmill operators, forestry consultants, the Bureau of Forestry, the Pennsylvania Game Commission, and the U. S. 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.

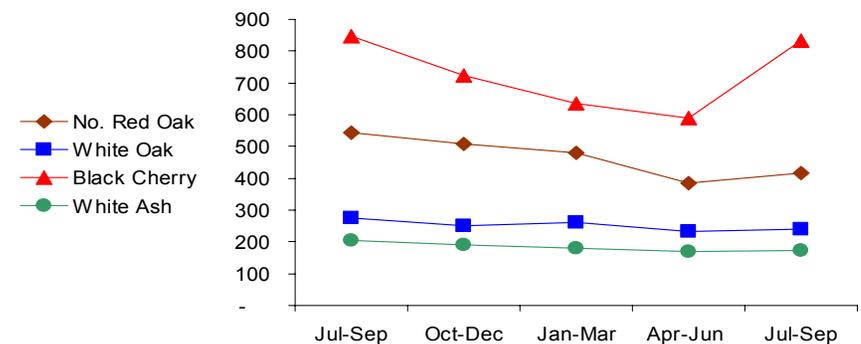
Southeast



Northwest



Southwest



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

TIMBER MARKET REPORT

July-September 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)#
NORTHEAST												
(\$ per MBF International 1/4")												
Northern Red Oak	222	333	444	(15)		(0)	470	(3)	(0)		812	(1)
White Oak	111	182	253	(15)		(0)	347	(3)	(0)		943	(1)
Mixed Oak	90	174	258	(13)		(0)	339	(3)	(0)			(0)
Black Cherry	479	1073	1667	(12)		(0)	1338	(2)	(0)		1645	(1)
White Ash	127	194	261	(12)		(0)	334	(3)	(0)		697	(1)
Hard Maple	256	523	790	(11)		(0)	667	(2)	(0)		1396	(1)
Soft Maple	66	183	300	(19)		(0)	375	(3)	(0)			(0)
Yellow-Poplar	112	149	186	(9)		(0)	268	(3)	(0)			(0)
Misc. Hardwoods	43	80	117	(14)		(0)	129	(1)	(0)			
White Pine	38	62	86	(8)		(0)	209	(1)	(0)			
Hemlock	26	44	62	(9)		(0)	185	(1)	(0)			
SOUTHEAST												
Northern Red Oak	339	412	485	(15)	86	(1)	259	(1)	518	(1)	1208	(1)
White Oak	202	280	358	(11)	86	(1)	216	(1)	431	(1)	863	(1)
Mixed Oak	215	294	373	(15)	86	(1)	129	(1)	173	(1)		(0)
Black Cherry	229	730	1231	(6)	173	(1)	431	(1)		(0)		(0)
White Ash	131	206	281	(7)	65	(1)	259	(1)	431	(1)	690	(1)
Hard Maple	234	505	776	(6)	86	(1)	431	(1)	690	(1)	1294	(1)
Soft Maple	98	206	314	(12)		(0)	173	(1)	345	(1)		(0)
Yellow-poplar	164	227	290	(12)	44	(1)	177	(1)	354	(1)	354	(1)
Misc. Hardwoods	117	180	243	(15)	65	(1)		(0)	86	(1)		
White Pine	67	95	123	(3)		(0)		(0)		(0)		
Hemlock	78	85	92	(2)		(0)		(0)		(0)		
NORTHWEST												
Northern Red Oak	227	414	601	(26)	143	(3)	271	(3)	447	(3)	856	(2)
White Oak	107	197	287	(21)	103	(3)	195	(3)	322	(3)	856	(1)
Mixed Oak	102	203	304	(16)	108	(3)	205	(3)	332	(3)		(0)
Black Cherry	825	1653	2481	(56)	265	(3)	764	(3)		(0)	2655	(2)
White Ash	87	155	223	(37)	93	(3)	179	(3)	278	(3)	260	(1)
Hard Maple	236	445	654	(51)	226	(3)	541	(3)	936	(3)	1622	(2)
Soft Maple	147	235	323	(55)	146	(3)	326	(3)	472	(3)		(0)
Yellow-poplar	64	133	202	(20)	88	(3)	131	(3)	207	(3)	354	(1)
Misc. Hardwoods	16	71	126	(37)	88	(3)	108	(3)	128	(3)		
White Pine	15	66	117	(7)		(0)	110	(2)		(0)		
Hemlock	9	35	61	(14)		(0)	88	(2)		(0)		
SOUTHWEST												
Northern Red Oak	273	416	559	(21)	168	(3)	318	(4)	530	(3)	834	(4)
White Oak	157	241	325	(18)	106	(3)	211	(4)	409	(3)	944	(3)
Mixed Oak	150	227	304	(17)	94	(2)	149	(3)	326	(2)		(0)
Black Cherry	314	833	1352	(19)	214	(3)	611	(4)		(0)	1906	(4)
White Ash	101	174	247	(10)	106	(3)	204	(4)	337	(3)	885	(1)
Hard Maple	244	405	566	(14)	174	(3)	454	(4)	663	(3)	1140	(4)
Soft Maple	133	222	311	(21)	106	(3)	232	(3)	435	(4)		(0)
Yellow-poplar	73	129	185	(16)	106	(3)	140	(3)	289	(3)		(0)
Misc. Hardwoods	48	95	142	(20)	94	(2)	129	(1)	302	(1)		
White Pine	52	86	120	(10)	59	(1)	120	(2)		(0)		
Hemlock	45	82	119	(8)	59	(1)	120	(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