



Pennsylvania Woodlands
TIMBER MARKET

REPORT

**Fourth Quarter 2010
 October-December**

**Chart
 Legend**

- ◆ No. Red Oak
- White Oak
- ▲ Black Cherry
- White Ash
- * Hard Maple

Pulpwood Stumpage...

Private and Other Public Pulpwood Stumpage

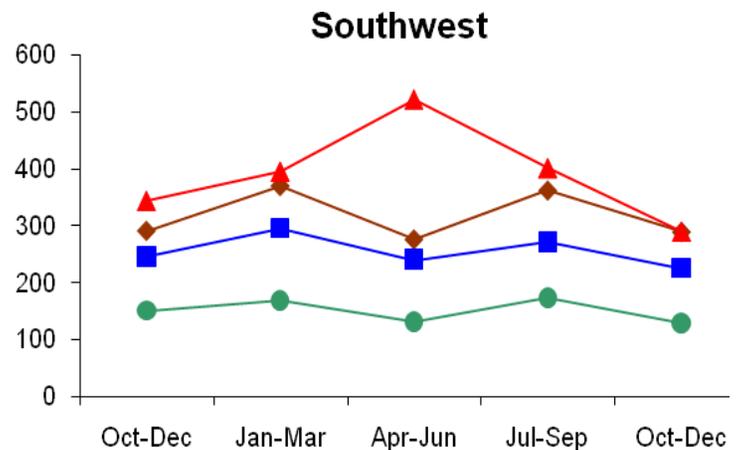
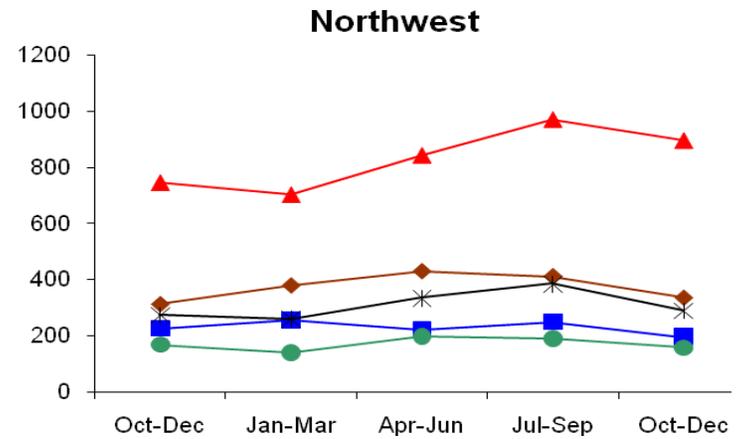
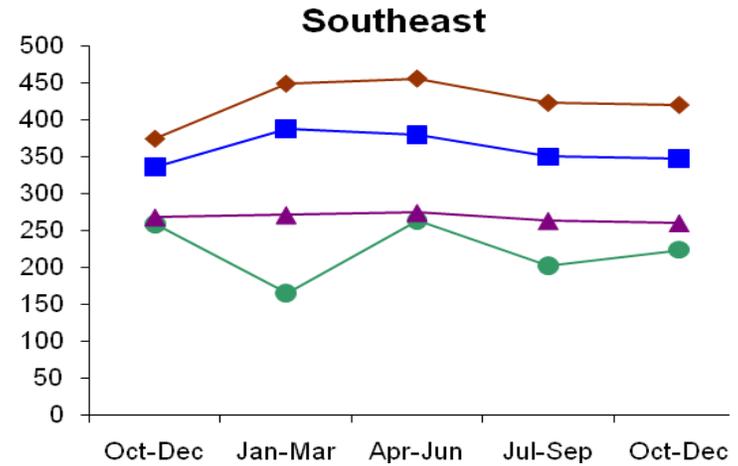
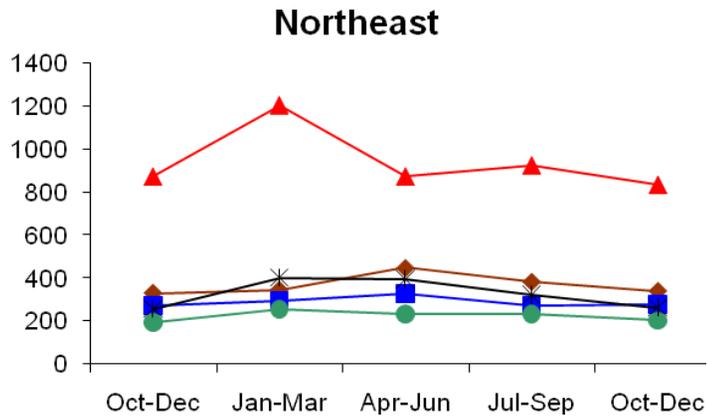
Region	Hardwood Pulp (\$/ton)				Softwood Pulp (\$/ton)			
	Low	Avg	(n)#	High	Low	Avg	(n)#	High
Northeast	1	2.81	9	5			0	
Southeast	1	2.17	3	3.5	^	^	1	^
Northwest	1	1.46	24	3	*	3	2	*
Southwest	1	2.04	6	4	*	1.73	2	*

Bureau of Forestry Pulpwood Stumpage

Region	Hardwood Pulp (\$/ton)				Softwood Pulp (\$/ton)			
	Low	Avg	(n)#	High	Low	Avg	(n)#	High
Northeast	0.57	1.84	9	5.56	0.72	2.18	7.00	5.56
Southeast	0.68	1.91	6	3.15	0.68	1.95	5.00	3.15
Northwest	0.35	1.47	13	2.4	0.64	1.05	4.00	1.90
Southwest	*	1.31	2	*	0.50	1.23	8.00	1.84

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

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



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 October through December of 2010. 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

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.

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.

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:

Timber sales are picking up, probably due to low inventories in mills, but stumpage prices remain sluggish for most species in most regions. In fact, there was quite a drop in the last quarter of 2010 for some of the major species. A number of factors are at play, some of which I have mentioned before. A growing concern is the impact of Marcellus shale gas drilling. Labor force in the timber industry is suffering to some degree as gas jobs pick up.

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Pennsylvania Woodlands TIMBER MARKET REPORT

October-December 2010

Species	Stumpage Prices				Mill Prices							
	Minus (1 St.Dev)	Avg	Plus (1 St.Dev)	(n)#	Low F3+	Med (n)#	F2+	High (n)#	F1+	(n)#	Veneer Avg	(n)#
(\$ per MBF International 1/4")												
NORTHEAST												
Northern Red Oak	230	340	450	(14)	0	(0)	380	(1)	0	(0)	0	(0)
White Oak	178	279	380	(12)	0	(0)	410	(1)	0	(0)	0	(0)
Mixed Oak	146	240	334	(14)	0	(0)	395	(2)	0	(0)	0	(0)
Black Cherry	460	834	1208	(6)	0	(0)	0	(0)	0	(0)	0	(0)
White Ash	142	202	262	(12)	0	(0)	340	(1)	0	(0)	0	(0)
Hard Maple	220	264	308	(6)	0	(0)	0	(0)	0	(0)	0	(0)
Soft Maple	77	181	285	(20)	0	(0)	500	(1)	0	(0)	0	(0)
Yellow-Poplar	83	148	213	(4)	0	(0)	290	(1)	0	(0)	0	(0)
Misc. Hardwoods	53	94	135	(11)	190	(1)	224	(1)	0	(0)		
White Pine	27	69	111	(7)	190	(1)	224	(1)	0	(0)		
Hemlock	9	54	99	(7)	190	(1)	224	(1)	0	(0)		
SOUTHEAST												
Northern Red Oak	315	420	525	(36)	129	(2)	345	(2)	518	(2)	0	(0)
White Oak	247	348	449	(30)	129	(2)	345	(2)	518	(2)	0	(0)
Mixed Oak	249	339	429	(36)	0	(0)	0	(0)	0	(0)	0	(0)
Black Cherry	555	706	857	(4)	151	(2)	518	(2)	0	(0)	0	(0)
White Ash	203	224	245	(12)	129	(2)	259	(2)	431	(2)	0	(0)
Hard Maple	387	404	421	(6)	129	(2)	431	(2)	604	(2)	0	(0)
Soft Maple	161	204	247	(18)	0	(0)	0	(0)	0	(0)	0	(0)
Yellow-poplar	204	260	316	(22)	86	(2)	216	(2)	345	(2)	0	(0)
Misc. Hardwoods	144	190	236	(26)	108	(2)	173	(2)	345	(2)		
White Pine	104	128	152	(6)	0	(0)	0	(0)	0	(0)		
Hemlock	12	134	256	(10)	0	(0)	0	(0)	0	(0)		
NORTHWEST												
Northern Red Oak	209	336	463	(52)	122	(10)	295	(10)	407	(10)	630	(16)
White Oak	145	195	245	(43)	113	(10)	283	(10)	383	(10)	630	(12)
Mixed Oak	121	175	229	(39)	116	(10)	200	(10)	330	(10)	511	(6)
Black Cherry	395	895	1980	(69)	181	(10)	440	(10)	0	(0)	1426	(12)
White Ash	101	156	211	(48)	116	(10)	195	(10)	265	(10)	250	(4)
Hard Maple	190	289	388	(58)	140	(10)	316	(10)	487	(10)	738	(8)
Soft Maple	105	164	223	(74)	104	(10)	221	(10)	283	(10)	147	(2)
Yellow-poplar	41	82	123	(33)	110	(10)	142	(8)	181	(8)	118	(2)
Misc. Hardwoods	21	52	83	(52)	81	(6)	103	(4)	147	(4)		
White Pine	14	26	38	(18)	69	(9)	66	(6)	69	(6)		
Hemlock	16	23	30	(38)	64	(6)	58	(6)	68	(6)		
SOUTHWEST												
Northern Red Oak	177	290	389	(29)	138	(7)	244	(5)	349	(5)	804	(5)
White Oak	119	226	315	(23)	128	(7)	192	(5)	279	(5)	777	(2)
Mixed Oak	87	179	259	(25)	116	(7)	130	(5)	174	(5)	0	(0)
Black Cherry	127	290	429	(27)	150	(7)	314	(5)	0	(0)	1968	(5)
White Ash	65	130	185	(23)	113	(7)	174	(5)	244	(5)	0	(0)
Hard Maple	102	223	320	(19)	126	(7)	244	(5)	314	(5)	0	(0)
Soft Maple	57	123	179	(31)	113	(7)	140	(5)	192	(5)	0	(0)
Yellow-poplar	60	117	166	(21)	92	(7)	122	(5)	157	(5)	0	(0)
Misc. Hardwoods	34	80	120	(27)	84	(7)	122	(5)	139	(5)		
White Pine	51	73	91	(7)	88	(7)	96	(5)	88	(3)		
Hemlock	58	61	64	(5)	88	(7)	96	(5)	88	(3)		

#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