



Pennsylvania Woodlands
TIMBER MARKET

REPORT

**Third Quarter 2012
July-September**

**Chart
Legend**

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

Pulpwood Stumpage...

Private and Other Public Pulpwood Stumpage

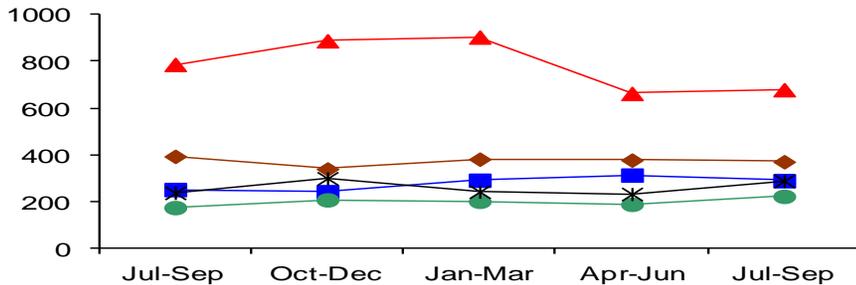
Region	Hardwood Pulp (\$/ton)				Softwood Pulp (\$/ton)			
	Low	Avg	(n)#	High	Low	Avg	(n)#	High
Northeast	1.00	2.44	9	7.93	^	^	1	^
Southeast	1.17	2.42	3	4.25	^	^	1	^
Northwest	0.57	2.27	15	6.00	0.83	0.83	4	0.83
Southwest	0.88	1.44	4	2.00			0	

Bureau of Forestry Pulpwood Stumpage

Region	Hardwood Pulp (\$/ton)				Softwood Pulp (\$/ton)			
	Low	Avg	(n)#	High	Low	Avg	(n)#	High
Northeast	0.54	0.97	14	2.14	0.39	0.77	9	1.58
Southeast	1.21	1.57	3	2.26	*	1.99	2	*
Northwest	1.08	2.06	17	3.96	0.00	1.30	6	1.96
Southwest	1.25	1.69	5	2.25	1.25	1.23	8	1.84

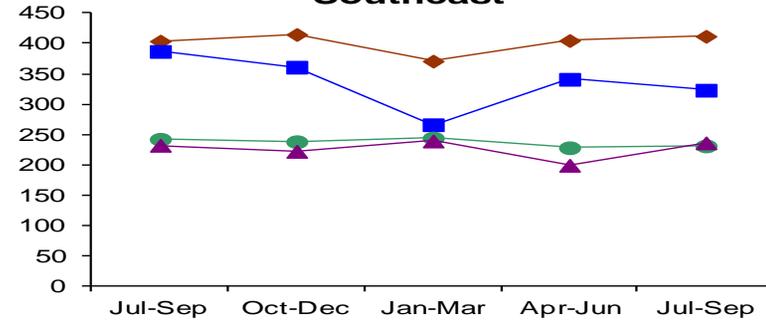
^ No prices are reported for samples with only a single respondent.
* Ranges are not reported for samples with fewer than three respondents.

Northeast



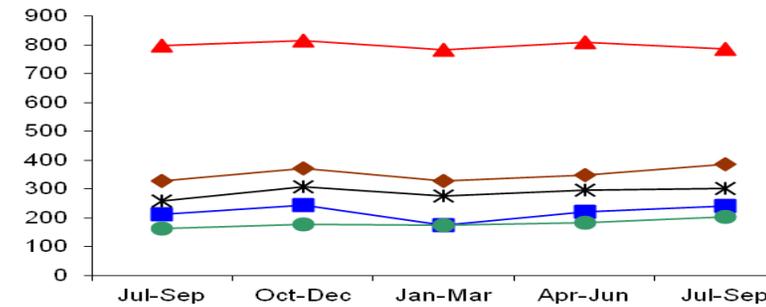
Northeast	N. Red Oak	White Oak	Black Cherry	White Ash	Hard Maple
Last Year	394	252	787	175	238
Change	↓ -6%	↑ 15%	↓ -14%	↑ 27%	↑ 21%
Current	371	290	679	223	289

Southeast



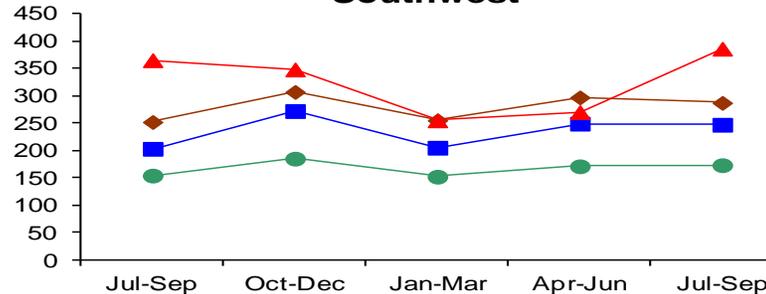
Southeast	N. Red Oak	White Oak	Black Cherry	White Ash
Last Year	404	387	242	232
Change	↑ 2%	↓ -17%	↓ -5%	↑ 2%
Current	412	323	231	236

Northwest



Northwest	N. Red Oak	White Oak	Black Cherry	White Ash	Hard Maple
Last Year	328	213	796	163	258
Change	↑ 18%	↑ 14%	↓ -1%	↑ 25%	↑ 17%
Current	387	242	787	203	303

Southwest



Southeast	N. Red Oak	White Oak	Black Cherry	White Ash
Last Year	252	203	365	154
Change	↑ 14%	↑ 22%	↑ 6%	↑ 12%
Current	287	247	386	173

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 through September of 2012. 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:

Not much change since last quarter but if since housing starts and renovations are on the rise we should start to see the market pick up. I am hearing that sales are competitive reflecting mills wanting to start stocking up for increasing demand.

Mike Jacobson, Ph.D.
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TIMBER MARKET REPORT

July-September 2012

Stumpage Prices					Mill Prices							
Species	Minus		Plus		Low F3+	Med		High		Veneer		
	(1 St.Dev)	Avg	(1 St.Dev)	(n)#		(n)#	F2+	(n)#	F1+	(n)#	Avg	(n)#
NORTHEAST					(\$ per MBF International 1/4")							
Northern Red Oak	267	371	475	(18)	0	(0)	0	(0)	0	(0)	0	(0)
White Oak	215	290	365	(11)	0	(0)	0	(0)	0	(0)	0	(0)
Mixed Oak	160	245	330	(12)	0	(0)	0	(0)	0	(0)	0	(0)
Black Cherry	483	679	875	(21)	0	(0)	0	(0)	0	(0)	0	(0)
White Ash	171	223	275	(14)	0	(0)	0	(0)	0	(0)	0	(0)
Hard Maple	195	289	383	(15)	0	(0)	0	(0)	0	(0)	0	(0)
Soft Maple	133	188	243	(26)	0	(0)	0	(0)	0	(0)	0	(0)
Yellow-Poplar	140	169	198	(4)	0	(0)	0	(0)	0	(0)	0	(0)
Misc. Hardwoods	45	89	133	(8)	0	(0)	0	(0)	0	(0)		
White Pine	31	54	77	(7)	0	(0)	0	(0)	0	(0)		
Hemlock	29	43	57	(9)	0	(0)	0	(0)	0	(0)		
SOUTHEAST												
Northern Red Oak	351	412	473	(14)	0	(0)	0	(0)	0	(0)	0	(0)
White Oak	249	323	397	(12)	0	(0)	0	(0)	0	(0)	0	(0)
Mixed Oak	243	314	385	(16)	0	(0)	0	(0)	0	(0)	0	(0)
Black Cherry	0	350	0	(1)	0	(0)	0	(0)	0	(0)	0	(0)
White Ash	185	231	277	(8)	0	(0)	0	(0)	0	(0)	0	(0)
Hard Maple	0	420	0	(1)	0	(0)	0	(0)	0	(0)	0	(0)
Soft Maple	157	199	241	(12)	0	(0)	0	(0)	0	(0)	0	(0)
Yellow-poplar	150	236	322	(12)	0	(0)	0	(0)	0	(0)	0	(0)
Misc. Hardwoods	118	160	202	(12)	0	(0)	0	(0)	0	(0)		
White Pine	0	109	0	(1)	0	(0)	0	(0)	0	(0)		
Hemlock	0	0	0	(0)	0	(0)	0	(0)	0	(0)		
NORTHWEST												
Northern Red Oak	255	387	519	(29)	243	(4)	426	(4)	602	(4)	744	(5)
White Oak	160	242	324	(22)	230	(4)	406	(4)	584	(4)	744	(4)
Mixed Oak	147	224	301	(20)	152	(3)	241	(3)	334	(3)	433	(3)
Black Cherry	445	787	1129	(43)	236	(3)	481	(3)	0	(0)	1593	(5)
White Ash	128	203	278	(32)	197	(3)	329	(3)	435	(2)	435	(2)
Hard Maple	181	303	425	(33)	214	(2)	420	(2)	627	(2)	905	(3)
Soft Maple	121	200	279	(44)	184	(2)	314	(2)	435	(2)	435	(2)
Yellow-poplar	76	157	238	(23)	140	(2)	180	(2)	228	(2)	236	(1)
Misc. Hardwoods	16	59	134	(20)	110	(2)	126	(2)	133	(2)		
White Pine	15	15	15	(2)	88	(1)	103	(1)	103	(1)		
Hemlock	29	52	133	(6)	88	(1)	88	(1)	88	(1)		
SOUTHWEST												
Northern Red Oak	167	287	407	(11)	0	(0)	0	(0)	0	(0)	0	(0)
White Oak	109	247	385	(8)	0	(0)	0	(0)	0	(0)	0	(0)
Mixed Oak	129	224	319	(8)	0	(0)	0	(0)	0	(0)	0	(0)
Black Cherry	177	386	595	(10)	0	(0)	0	(0)	0	(0)	0	(0)
White Ash	94	173	252	(7)	0	(0)	0	(0)	0	(0)	0	(0)
Hard Maple	116	244	372	(9)	0	(0)	0	(0)	0	(0)	0	(0)
Soft Maple	107	191	275	(13)	0	(0)	0	(0)	0	(0)	0	(0)
Yellow-poplar	59	131	203	(9)	0	(0)	0	(0)	0	(0)	0	(0)
Misc. Hardwoods	34	89	144	(10)	0	(0)	0	(0)	0	(0)		
White Pine	64	140	216	(2)	0	(0)	0	(0)	0	(0)		
Hemlock	77	107	137	(2)	0	(0)	0	(0)	0	(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												