



Pennsylvania Woodlands
TIMBER MARKET

REPORT

**Fourth Quarter 2012
 October-December**

**Chart
 Legend**

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

Pulpwood Stumpage...

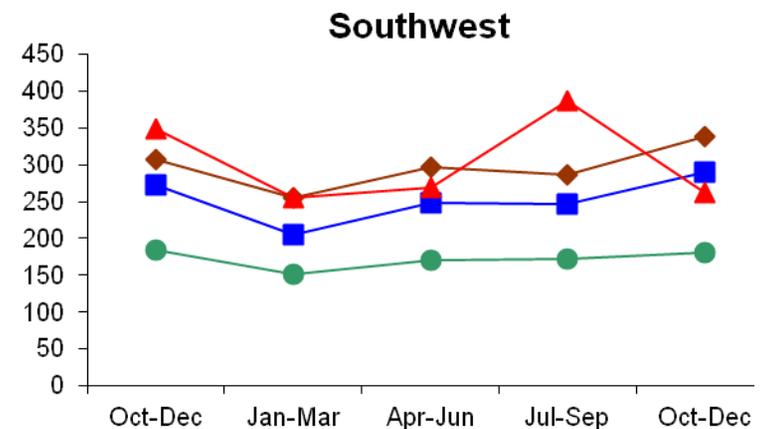
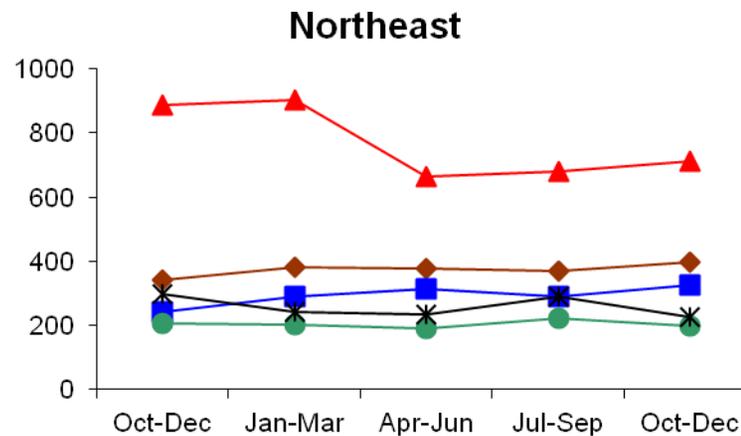
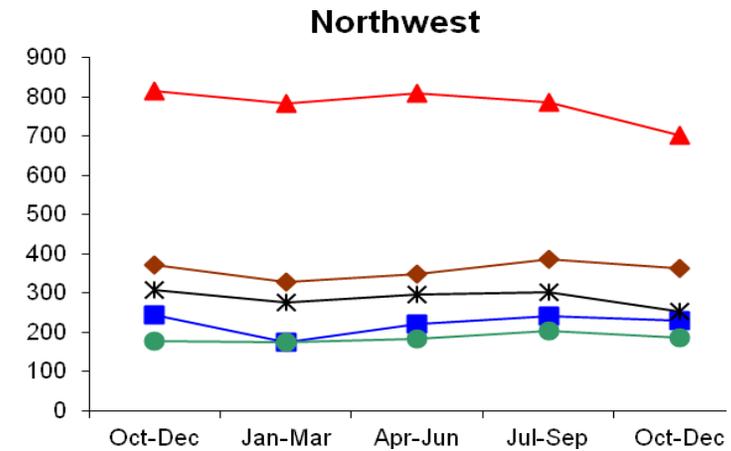
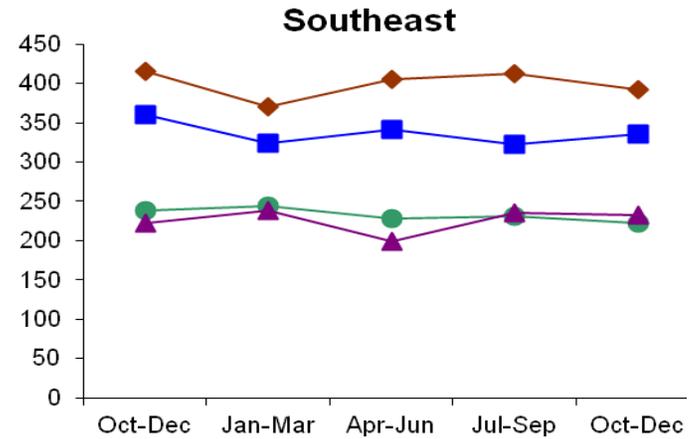
Private and Other Public Pulpwood Stumpage

Region	Hardwood Pulp (\$/ton)				Softwood Pulp (\$/ton)			
	Low	Avg	(n)#	High	Low	Avg	(n)#	High
Northeast	*	1.60	2	*	^	^	1	^
Southeast	*	1.75	2	*			0	
Northwest	0.78	2.17	9	5.78	0.83	3.54	3	5.78
Southwest	1.73	2.69	4	3.00	*	4.00	2	*

Bureau of Forestry Pulpwood Stumpage

Region	Hardwood Pulp (\$/ton)				Softwood Pulp (\$/ton)			
	Low	Avg	(n)#	High	Low	Avg	(n)#	High
Northeast	0.21	1.37	10	2.43	0.43	1.35	6	2.43
Southeast	*	2.29	2	*	*	2.05	2	*
Northwest	0.30	1.98	11	5.29	0.00	1.94	5	5.29
Southwest	1.41	1.88	5	2.07	1.17	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.



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 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:

Lumber prices are bouncing back as the housing market picks up, but the stumpage and log prices are lagging a little. However, there is positive, albeit small, price increases for most of our species. As lumber demand picks up further expect mills to replenish inventories and expand production. Then prices should trickle down to the stump.

Mike Jacobson, Ph.D.
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TIMBER MARKET REPORT

October-December 2012

Stumpage Prices					Mill Prices							
Species	Minus		Plus		Low	Med		High		Veneer		
	(1 St.Dev)	Avg	(1 St.Dev)	(n)#		F3+	(n)#	F2+	(n)#	F1+	(n)#	Avg
NORTHEAST					(\$ per MBF International 1/4")							
Northern Red Oak	269	397	525	(10)	0	(0)	450	(1)	0	(0)	0	(0)
White Oak	213	326	439	(9)	0	(0)	460	(1)	0	(0)	0	(0)
Mixed Oak	152	294	436	(8)	0	(0)	455	(1)	0	(0)	0	(0)
Black Cherry	411	710	1009	(7)	0	(0)	0	(0)	0	(0)	0	(0)
White Ash	103	200	297	(6)	0	(0)	350	(1)	0	(0)	0	(0)
Hard Maple	83	228	373	(7)	0	(0)	0	(0)	0	(0)	0	(0)
Soft Maple	98	196	294	(14)	0	(0)	540	(1)	0	(0)	0	(0)
Yellow-Poplar	196	254	312	(3)	0	(0)	350	(1)	0	(0)	0	(0)
Misc. Hardwoods	24	123	175	(3)	0	(0)	0	(0)	0	(0)		
White Pine	17	54	91	(3)	0	(0)	198	(1)	0	(0)		
Hemlock	42	72	102	(2)	0	(0)	198	(1)	0	(0)		
SOUTHEAST												
Northern Red Oak	303	392	481	(16)	0	(0)	0	(0)	0	(0)	0	(0)
White Oak	261	336	411	(15)	0	(0)	0	(0)	0	(0)	0	(0)
Mixed Oak	222	311	400	(15)	0	(0)	0	(0)	0	(0)	0	(0)
Black Cherry	343	457	571	(3)	0	(0)	0	(0)	0	(0)	0	(0)
White Ash	167	222	277	(7)	0	(0)	0	(0)	0	(0)	0	(0)
Hard Maple	276	334	392	(3)	0	(0)	0	(0)	0	(0)	0	(0)
Soft Maple	165	223	281	(11)	0	(0)	0	(0)	0	(0)	0	(0)
Yellow-poplar	171	233	295	(12)	0	(0)	0	(0)	0	(0)	0	(0)
Misc. Hardwoods	102	157	212	(14)	0	(0)	0	(0)	0	(0)		
White Pine	51	120	189	(5)	0	(0)	0	(0)	0	(0)		
Hemlock	72	78	84	(4)	0	(0)	0	(0)	0	(0)		
NORTHWEST												
Northern Red Oak	227	362	497	(20)	233	(3)	363	(3)	482	(3)	664	(6)
White Oak	146	230	314	(18)	192	(3)	290	(3)	393	(3)	664	(4)
Mixed Oak	116	214	312	(16)	172	(3)	241	(3)	314	(3)	472	(2)
Black Cherry	392	703	1014	(32)	271	(3)	498	(3)	0	(0)	1603	(6)
White Ash	128	185	242	(23)	197	(3)	319	(3)	428	(3)	585	(3)
Hard Maple	183	253	323	(25)	231	(3)	413	(3)	575	(3)	932	(5)
Soft Maple	138	188	238	(33)	187	(3)	300	(3)	408	(3)	450	(2)
Yellow-poplar	58	116	174	(13)	127	(3)	174	(3)	221	(3)	244	(2)
Misc. Hardwoods	28	53	78	(17)	118	(2)	148	(2)	155	(2)		
White Pine	10	22	34	(3)	88	(1)	103	(1)	103	(1)		
Hemlock	14	42	70	(6)	88	(1)	88	(1)	88	(1)		
SOUTHWEST												
Northern Red Oak	209	339	469	(12)	173	(1)	326	(2)	561	(1)	632	(2)
White Oak	166	290	414	(12)	173	(1)	291	(2)	647	(1)	588	(2)
Mixed Oak	143	248	353	(12)	173	(1)	259	(1)	345	(1)	0	(0)
Black Cherry	143	262	381	(7)	173	(1)	388	(1)	0	(0)	1381	(1)
White Ash	110	181	252	(8)	173	(1)	345	(1)	475	(1)	0	(0)
Hard Maple	72	218	364	(5)	173	(1)	518	(1)	863	(1)	1294	(1)
Soft Maple	122	198	274	(12)	173	(1)	302	(1)	647	(1)	0	(0)
Yellow-poplar	75	144	213	(8)	173	(1)	233	(2)	431	(1)	0	(0)
Misc. Hardwoods	33	70	107	(6)	173	(1)	0	(0)	0	(0)		
White Pine	59	103	147	(5)	216	(1)	0	(0)	0	(0)		
Hemlock	43	82	121	(4)	216	(1)	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												