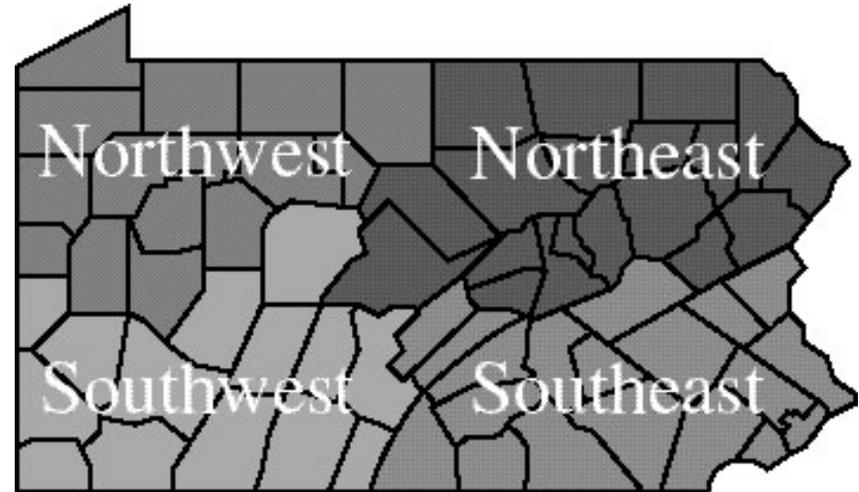


Pennsylvania Woodlands
**TIMBER MARKET
REPORT**

**Fourth Quarter 2004
October - December**



**The Pennsylvania State University
School of Forest Resources
Cooperative Extension
7 Ferguson Building
University Park, PA 16802
(814) 863-0401
www.sfr.cas.psu/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	0.00	0.00 [^]	(1)	0.00	0.00	1.50*	(2)	0.00
Southeast	0.00	3.19	(29)	14.50	0.50	4.89	(9)	14.50
Northwest	0.00	1.25*	(2)	0.00			(0)	
Southwest	0.00	1.73	(11)	4.00	3.00	4.00	(4)	6.00

Bureau of Forestry Pulpwood Stumpage

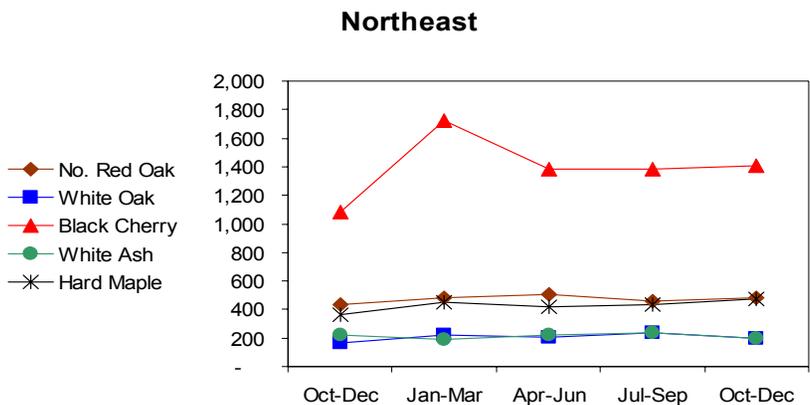
Region	Hardwood Pulp (\$/ton)				Softwood Pulp (\$/ton)			
	Low	Avg	(n)#	High	Low	Avg	(n)#	High
Northeast	1.31	2.91	(11)	7.58	0.00	0.00 [^]	(1)	0.00
Southeast	2.04	5.00	(10)	12.45	0.00	0.00 [^]	(1)	0.00
Northwest	0.00	15.04*	(2)	16.70	0.00	0.00 [^]	(1)	0.00
Southwest	0.00	7.78*	(2)	9.01			(0)	

[^] 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:

Thanks to Brian Kieffer and Ashlee Early, we have a new computer program calculating timber prices, and should be back on schedule. Our next step is to revamp the web site – stay tuned. The market for this last quarter of 2004 was sluggish as very few species in any region had stumpage price increases. Looking at 2004 in general, it was an uneventful year in terms of massive price swings. Hopefully as the economy rebounds in 2005, so will timber prices. Have a good year.

Sincerely,

Prepared by: Mike Jacobson, 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 October, November, and December of 2004. 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?

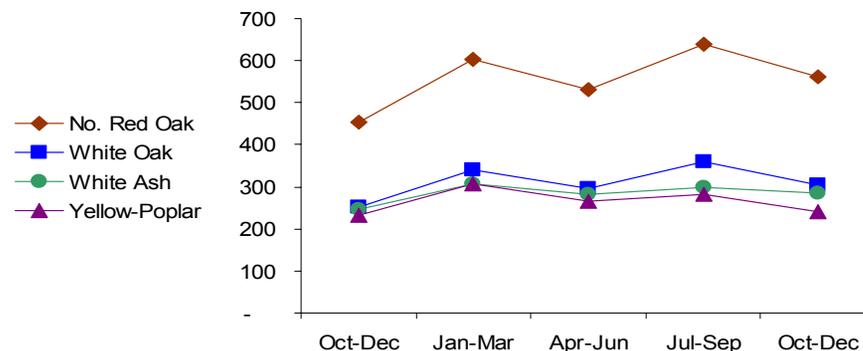
The Timber Market Report reflects the stumpage and mill prices observed over a three month time period. Due to the dramatic changes common among Pennsylvania's timber markets, past reports may not accurately describe the latest market conditions. A current report is the best guide to the current market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

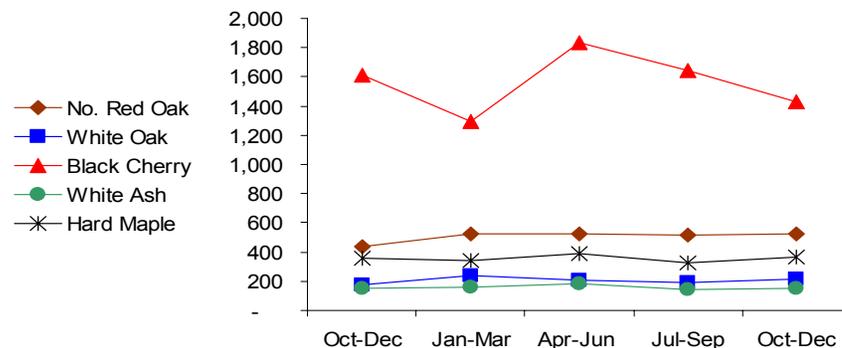
Sawtimber Stumpage Prices: The sawtimber stumpage price found in this quarter's report are based on the average or mean price as determined from the survey information provided by loggers, sawmill operators, forestry consultants, the Bureau of Forestry, the Pennsylvania Game Commission, and the U. S.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

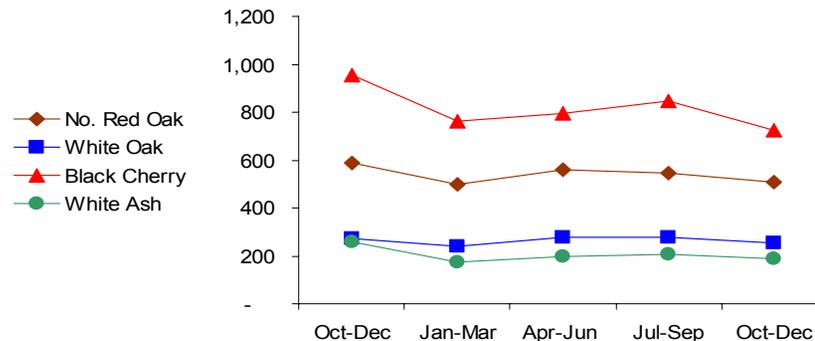
Southeast



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.

Pennsylvania Woodlands
TIMBER MARKET REPORT
October-December 2004

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	335	483	631	(16)	108	(1)	536	(5)	690	(1)	1324	(2)
White Oak	127	199	271	(12)	43	(1)	316	(5)	302	(1)	1228	(2)
Mixed Oak	143	236	329	(10)	43	(1)	412	(3)	475	(1)	1186	(2)
Black Cherry	847	1407	1967	(13)	173	(1)	1091	(4)		(0)	3050	(2)
White Ash	123	196	269	(10)	43	(1)	291	(5)	388	(1)	1077	(1)
Hard Maple	288	478	668	(11)	173	(1)	620	(4)	863	(1)	2453	(2)
Soft Maple	112	190	268	(18)	43	(1)	316	(5)	496	(1)		(0)
Yellow-Poplar	75	151	227	(6)	43	(1)	224	(6)	345	(1)		(0)
Misc. Hardwoods	72	102	132	(12)	86	(1)	194	(2)	259	(1)		
White Pine	37	60	83	(7)		(0)	192	(2)		(0)		
Hemlock	29	49	69	(7)		(0)	168	(2)		(0)		
SOUTHEAST												
Northern Red Oak	379	561	743	(13)		(0)		(0)		(0)		(0)
White Oak	176	305	434	(13)		(0)		(0)		(0)		(0)
Mixed Oak	252	321	390	(12)		(0)		(0)		(0)		(0)
Black Cherry	599	822	1045	(2)		(0)		(0)		(0)		(0)
White Ash	203	285	367	(5)		(0)		(0)		(0)		(0)
Hard Maple	403	623	843	(3)		(0)		(0)		(0)		(0)
Soft Maple	47	252	457	(7)		(0)		(0)		(0)		(0)
Yellow-poplar	176	242	308	(9)		(0)		(0)		(0)		(0)
Misc. Hardwoods	131	255	379	(11)		(0)		(0)		(0)		
White Pine	74	88	102	(4)		(0)		(0)		(0)		
Hemlock	72	83	94	(2)		(0)		(0)		(0)		
NORTHWEST												
Northern Red Oak	340	526	712	(34)	353	(3)	371	(3)	410	(3)	914	(2)
White Oak	123	217	311	(23)	216	(3)	224	(3)	266	(3)	914	(2)
Mixed Oak	135	242	349	(23)	206	(3)	254	(3)	316	(3)		(0)
Black Cherry	790	1429	2068	(69)	649	(3)	752	(3)		(0)	2802	(2)
White Ash	90	151	212	(49)	157	(3)	189	(3)	219	(3)		(0)
Hard Maple	225	367	509	(60)	270	(3)	447	(3)	570	(3)	1770	(1)
Soft Maple	105	175	245	(71)	215	(3)	298	(3)	331	(3)		(0)
Yellow-poplar	44	103	162	(27)	147	(3)	130	(3)	152	(3)		(0)
Misc. Hardwoods	16	49	82	(42)	88	(3)	98	(3)	108	(3)		
White Pine	7	40	73	(7)	118	(1)	96	(2)		(0)		
Hemlock	0	55	124	(16)		(2)	74	(2)		(0)		
SOUTHWEST												
Northern Red Oak	306	509	712	(19)	162	(3)	467	(4)	614	(3)	930	(2)
White Oak	127	252	377	(18)	112	(3)	303	(4)	424	(3)	949	(1)
Mixed Oak	140	228	316	(17)	103	(2)	212	(3)	196	(2)		(0)
Black Cherry	339	725	1111	(16)	251	(3)	862	(4)		(0)	1938	(2)
White Ash	117	189	261	(14)	112	(3)	200	(4)	345	(3)		(0)
Hard Maple	258	395	532	(12)	162	(3)	458	(4)	643	(3)		(0)
Soft Maple	126	193	260	(20)	112	(3)	238	(4)	481	(3)		(0)
Yellow-poplar	78	153	228	(18)	112	(3)	170	(4)	289	(3)		(0)
Misc. Hardwoods	52	103	154	(19)	103	(2)	162	(3)	173	(1)		
White Pine	55	98	141	(5)	88	(1)	159	(3)		(0)		
Hemlock	62	80	98	(5)	88	(1)	130	(3)		(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