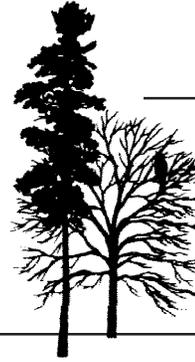




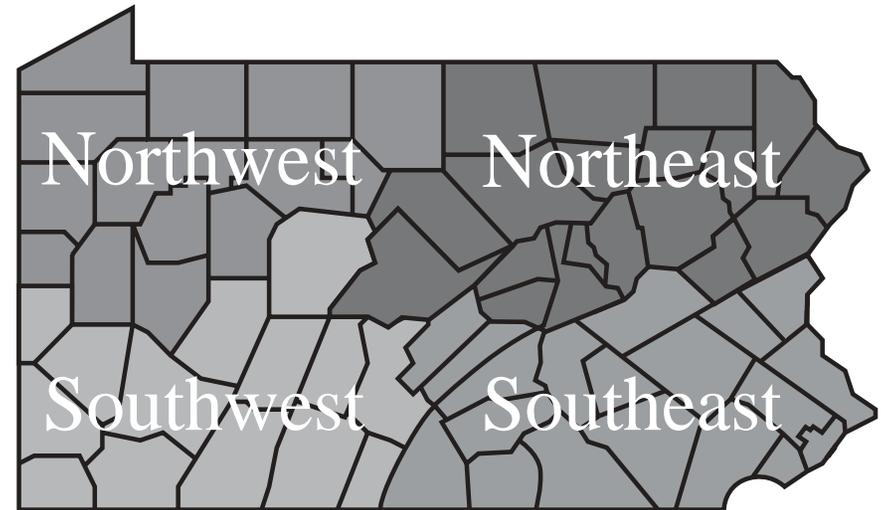
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Pennsylvania Woodlands
**TIMBER MARKET
REPORT**

**First Quarter 2004
January - March**



**The Pennsylvania State University
School of Forest Resources
Cooperative Extension
7 Ferguson Building
University Park, PA 16802
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www.sfr.cas.psu.edu/TMR/TMR.htm**

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 January, February, and March of 2004.

Why four different regions?

The four regions, shown on the cover map, were designed to more accurately reflect the forest products markets 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 period. Due to the dramatic changes common in Pennsylvania's timber markets, past reports may not accurately describe the latest market conditions. A current report is one's 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:

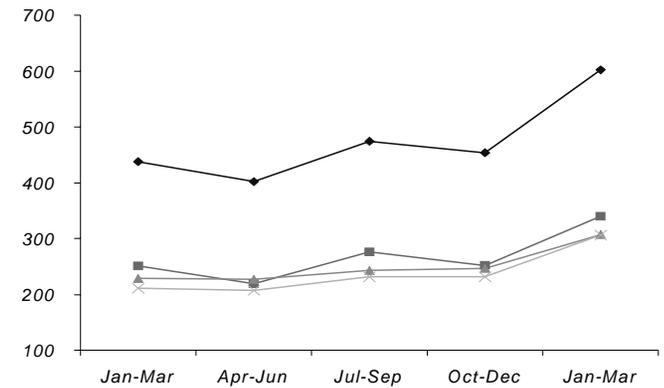
size, species and quality of timber	total volume and volume per acre
logging conditions	distance to the mill
season of the year	current market conditions
	end product of manufacture

Sawtimber Stumpage Prices: The sawtimber stumpage prices 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 and 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 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 and F1, respectively. The mill prices represent the average of all the the prices reported by sawmills across the state plus those out-of-state mills which purchase 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 occurs when the average prices of a lower grade exceeds the average price of a higher grade. 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.

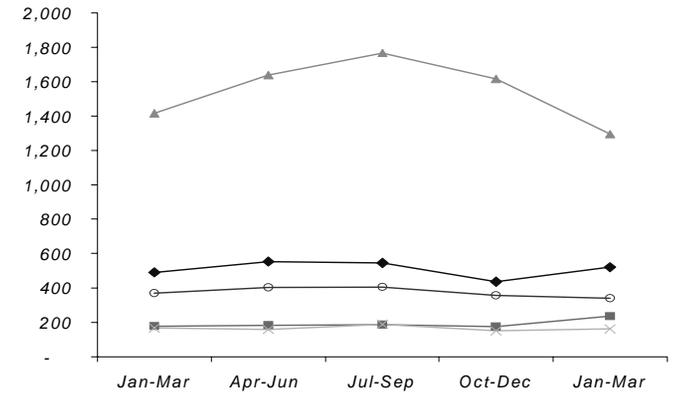
SOUTH-EAST

- ◆ No. Red Oak
- White Oak
- ▲ White Ash
- × Yellow-Poplar



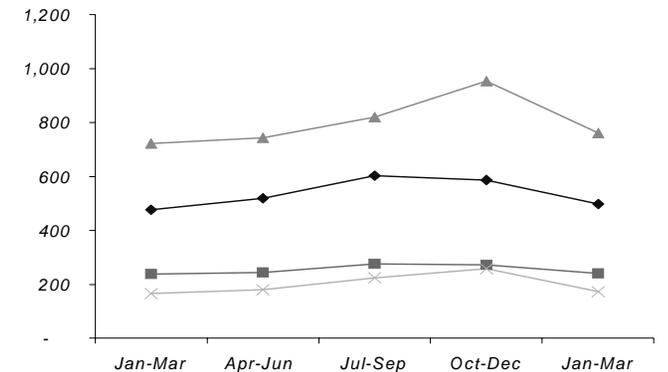
NORTH-WEST

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



SOUTH-WEST

- ◆ No. Red Oak
- White Oak
- ▲ Black Cherry
- × White Ash



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

Pulpwood Stumpage...

Private and Other Public Pulpwood Stumpage

Region	Hardwood Pulp(\$/ton)				Softwood Pulp(\$/ton)			
	Low	Avg	(n)#	High	Low	Avg	(n)#	High
Northeast		2.50*	(2)			0.00	(0)	
Southeast			(0)			0.00	(0)	
Northwest	0.00	2.85	(20)	9.53		0.00^	(1)	
Southwest	3.93	19.00	(5)	34.07		0.00^	(1)	

Bureau of Forestry Pulpwood Stumpage

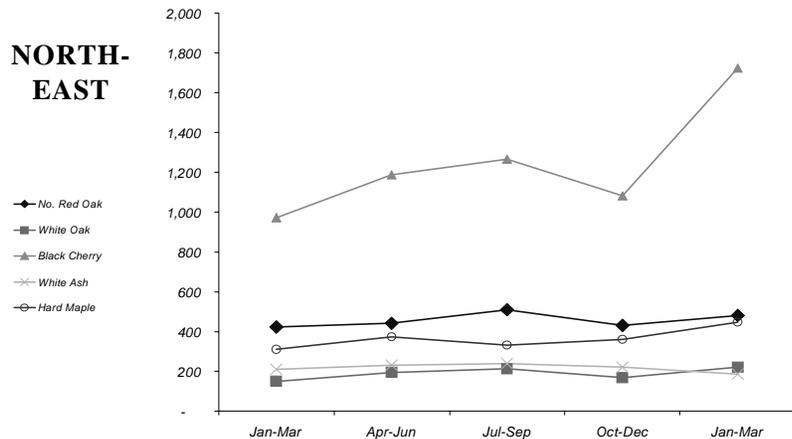
Region	Hardwood Pulp(\$/ton)				Softwood Pulp(\$/ton)			
	Low	Avg	(n)#	High	Low	Avg	(n)#	High
Northeast	0.82	2.21	(12)	3.59	0.99	2.92	(3)	4.85
Southeast		14.36*	(2)			0.00^	(1)	
Northwest		6.72*	(2)			0.00^	(1)	
Southwest	4.76	8.81	(6)	12.85		0.00	(0)	

^ 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 rule 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:

Historically, the first quarter prices are not that different from the previous quarter. This quarter followed that trend in general, but two things pop out. Prices for most species increased slightly with a few exceptions. This may reflect the economic recovery we are hopefully seeing. The species prices that did drop did so quite dramatically. For example, in the two western regions, black cherry regions prices dropped by over 20%. One reason could be the significantly lower than normal response rates we usually get from those regions. Take care and have a good spring.

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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Pennsylvania Woodlands
TIMBER MARKET REPORT
January-March 2004

SPECIES	STUMPAGE PRICES						MILL PRICES					
	Minus (1 ST.DEV)	Avg	(n)#	Plus (1 ST.DEV)	Low F3+	(n)#	Med F2+	(n)#	High F1+	(n)#	Veneer Avg	(n)#
NORTHEAST												
(\$ per MBF International 1/4")												
Northern Red Oak	276	482	(14)	689	0	(0)	475	(1)	0	(0)	0	(0)
White Oak	120	221	(11)	323	0	(0)	269	(1)	0	(0)	0	(0)
Mixed Oak	102	239	(12)	376	0	(0)	0	(0)	0	(0)	0	(0)
Black Cherry	1125	1723	(8)	2320	0	(0)	590	(1)	0	(0)	0	(0)
White Ash	115	186	(7)	256	0	(0)	177	(1)	0	(0)	0	(0)
Hard Maple	263	447	(7)	630	0	(0)	399	(1)	0	(0)	0	(0)
Soft Maple	78	204	(12)	330	0	(0)	248	(1)	0	(0)	0	(0)
Yellow Poplar	94	215	(2)	335	0	(0)	160	(1)	0	(0)	0	(0)
Misc. Hardwoods	26	88	(12)	150	0	(0)	0	(0)	0	(0)	0	(0)
White Pine	45	84	(5)	123	0	(0)	0	(1)	0	(0)	0	(0)
Hemlock	19	73	(4)	128	0	(0)	0	(0)	0	(0)	0	(0)
SOUTHEAST												
Northern Red Oak	406	602	(17)	799	0	(0)	0	(0)	0	(0)	0	(0)
White Oak	291	340	(16)	388	0	(0)	0	(0)	0	(0)	0	(0)
Mixed Oak	338	445	(15)	551	0	(0)	0	(0)	0	(0)	0	(0)
Black Cherry	596	732	(4)	868	0	(0)	0	(0)	0	(0)	0	(0)
White Ash	266	307	(9)	348	0	(0)	0	(0)	0	(0)	0	(0)
Hard Maple	459	600	(2)	741	0	(0)	0	(0)	0	(0)	0	(0)
Soft Maple	152	198	(5)	243	0	(0)	0	(0)	0	(0)	0	(0)
Yellow Poplar	268	306	(15)	345	0	(0)	0	(0)	0	(0)	0	(0)
Misc. Hardwoods	153	188	(17)	224	0	(0)	0	(0)	0	(0)	0	(0)
White Pine	104	125	(4)	145	0	(0)	0	(0)	0	(0)	0	(0)
Hemlock	97	97	(1)	97	0	(0)	0	(0)	0	(0)	0	(0)
NORTHWEST												
Northern Red Oak	360	520	(23)	680	139	(4)	375	(5)	575	(3)	833	(2)
White Oak	104	237	(15)	370	103	(4)	166	(4)	266	(3)	590	(2)
Mixed Oak	121	223	(13)	325	107	(4)	225	(4)	310	(3)	413	(1)
Black Cherry	812	1295	(33)	1778	206	(3)	745	(4)	1298	(3)	2316	(2)
White Ash	108	162	(23)	215	69	(3)	133	(3)	246	(3)	383	(1)
Hard Maple	231	340	(27)	450	103	(3)	285	(3)	570	(3)	811	(2)
Soft Maple	126	188	(34)	249	79	(3)	218	(5)	334	(3)	0	(0)
Yellow Poplar	64	124	(7)	184	64	(3)	103	(3)	192	(3)	0	(0)
Misc. Hardwoods	5	46	(21)	87	77	(4)	100	(4)	123	(3)	0	(0)
White Pine	23	50	(10)	77	74	(1)	111	(4)	81	(2)	0	(0)
Hemlock	16	34	(11)	51	44	(1)	92	(4)	29	(2)	0	(0)
SOUTHWEST												
Northern Red Oak	404	498	(15)	593	216	(2)	475	(2)	755	(2)	1035	(2)
White Oak	176	240	(15)	305	119	(2)	237	(2)	475	(2)	949	(2)
Mixed Oak	171	260	(14)	348	108	(1)	173	(1)	345	(1)	0	(0)
Black Cherry	580	761	(11)	942	280	(2)	841	(2)	1208	(2)	1941	(2)
White Ash	114	173	(6)	232	119	(2)	216	(2)	399	(2)	0	(0)
Hard Maple	283	372	(7)	461	183	(2)	464	(2)	755	(2)	1035	(2)
Soft Maple	136	186	(14)	237	119	(2)	226	(2)	604	(2)	0	(0)
Yellow Poplar	99	147	(8)	196	119	(2)	173	(2)	345	(2)	0	(0)
Misc. Hardwoods	73	103	(12)	132	108	(1)	0	(0)	0	(0)	0	(0)
White Pine	46	65	(4)	84	108	(1)	0	(0)	0	(0)	0	(0)
Hemlock	46	68	(3)	90	108	(1)	0	(0)	0	(0)	0	(0)

Conversion Factors
Doyle Price=1.695 x International 1/4" Price
Scribner Price=1.159 x International 1/4" Price
#n is the number of responses used to calculate the price statistics.