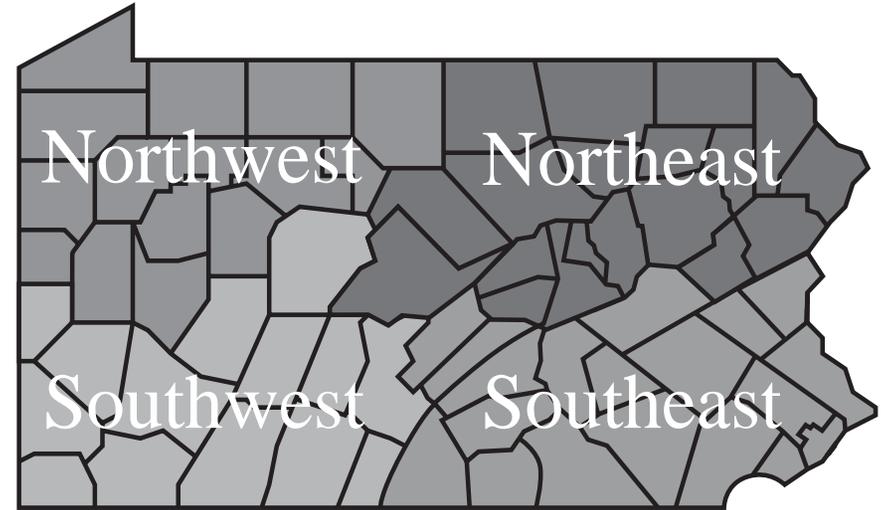


Pennsylvania Woodlands
**TIMBER MARKET
REPORT**

**Third Quarter 2003
July-September**



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Cooperative Extension
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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 July, August, and September of 2003.

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:

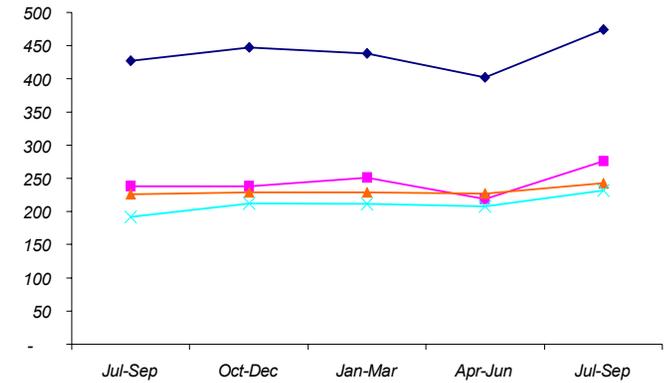
size, species and quality of timber	total volume and volume per acre
logging conditions	distance to the mill
season of the year	current market conditions
	end product of manufacture

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.

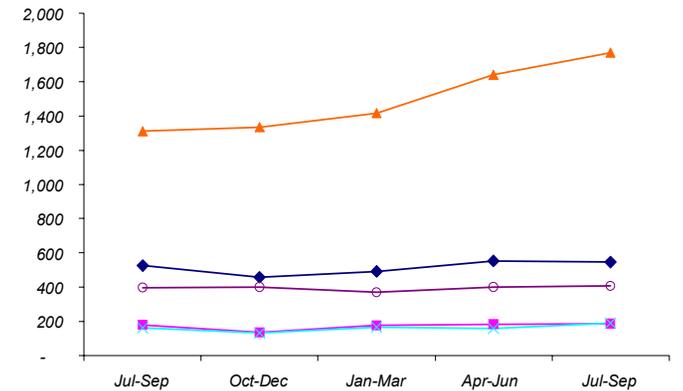
SOUTH-EAST

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



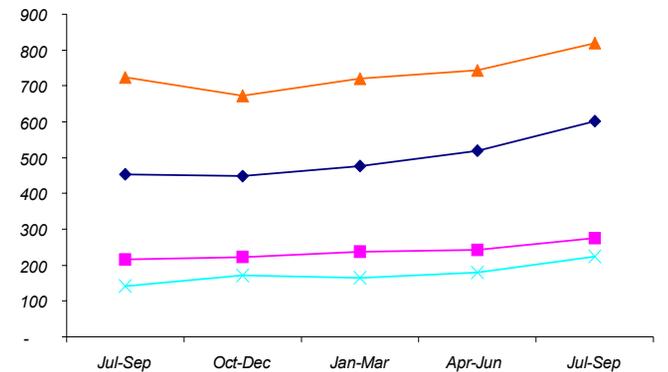
NORTH-WEST

- ◆ 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	2.00	6.50	(8)	16.05	0.00^		(1)	
Southeast		1.75*	(2)		0.00^		(1)	
Northwest	1.00	6.50	(10)	16.34	2.00*		(2)	
Southwest	0.58	1.50	(10)	2.42	0.00^		(1)	

Bureau of Forestry Pulpwood Stumpage

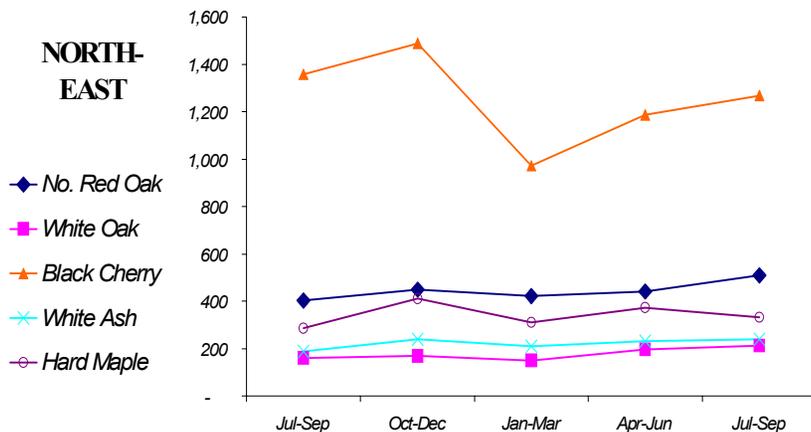
Region	Hardwood Pulp(\$/ton)				Softwood Pulp(\$/ton)			
	Low	Avg	(n)#	High	Low	Avg	(n)#	High
Northeast	2.65	3.96	(13)	5.27	0.00		(0)	
Southeast	7.37	14.23	(4)	21.09	10.98		(2)	
Northwest	4.67	7.77	(7)	10.86	0.00		(0)	
Southwest	6.96	11.79	(3)	16.63	0.00		(0)	

^ 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:

As our economy emerges from a slump so may timber prices. Over the last few years timber prices in Pennsylvania have stayed relatively flat and basically withstood the poor economy. In fact, there are some species such as cherry and hard maple that have done pretty well. There are many reasons for this, including the high export demand for our quality hardwoods. One indicator to watch in the near future is exchange rates. The current weakening of the dollar could lead to increased exports of hardwoods and further increases in stumpage prices. We'll see. Until next quarter, have a safe and happy holiday season.

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
July-September 2003

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	312	510	(21)	707	0	(0)	580	(3)	0	(0)	0	(0)
White Oak	137	213	(18)	289	0	(0)	314	(3)	0	(0)	0	(0)
Mixed Oak	109	223	(13)	337	0	(0)	389	(2)	0	(0)	0	(0)
Black Cherry	444	1268	(17)	2092	0	(0)	1445	(2)	0	(0)	0	(0)
White Ash	211	240	(10)	269	0	(0)	301	(3)	0	(0)	0	(0)
Hard Maple	181	331	(14)	480	0	(0)	626	(2)	0	(0)	0	(0)
Soft Maple	107	172	(22)	237	0	(0)	345	(3)	0	(0)	0	(0)
Yellow Poplar	101	195	(7)	289	0	(0)	274	(2)	0	(0)	0	(0)
Misc. Hardwoods	48	102	(18)	156	0	(0)	129	(1)	0	(0)	0	(0)
White Pine	51	71	(8)	90	129	(1)	158	(3)	259	(1)		
Hemlock	42	72	(10)	103	129	(1)	30	(3)	207	(1)		
SOUTHEAST												
Northern Red Oak	344	474	(23)	604	136	(1)	359	(2)	401	(1)	0	(0)
White Oak	193	276	(20)	360	136	(1)	307	(2)	283	(1)	0	(0)
Mixed Oak	249	401	(11)	553	0	(0)	300	(1)	0	(0)	0	(0)
Black Cherry	392	578	(9)	764	65	(1)	295	(1)	413	(1)	0	(0)
White Ash	165	243	(11)	320	88	(1)	169	(2)	236	(1)	0	(0)
Hard Maple	341	461	(4)	580	0	(0)	0	(0)	0	(0)	0	(0)
Soft Maple	81	148	(11)	214	65	(1)	65	(1)	236	(1)	0	(0)
Yellow Poplar	168	232	(20)	296	94	(1)	176	(2)	260	(1)	0	(0)
Misc. Hardwoods	105	150	(21)	195	65	(1)	87	(2)	65	(1)		
White Pine	70	92	(4)	113	0	(0)	0	(0)	0	(0)		
Hemlock	54	64	(5)	75	0	(0)	0	(0)	0	(0)		
NORTHWEST												
Northern Red Oak	359	546	(26)	732	164	(4)	444	(6)	520	(4)	846	(3)
White Oak	107	187	(16)	267	97	(4)	217	(6)	273	(4)	728	(3)
Mixed Oak	139	232	(14)	325	100	(4)	214	(6)	284	(4)	413	(1)
Black Cherry	935	1768	(45)	2601	310	(4)	777	(6)	1180	(4)	2124	(3)
White Ash	87	189	(31)	292	92	(4)	177	(5)	199	(4)	487	(2)
Hard Maple	268	406	(42)	545	147	(4)	369	(5)	509	(4)	924	(3)
Soft Maple	124	192	(43)	261	100	(4)	213	(6)	295	(4)	0	(0)
Yellow Poplar	46	117	(17)	189	100	(4)	132	(5)	166	(4)	0	(0)
Misc. Hardwoods	20	62	(21)	105	108	(3)	120	(6)	138	(3)		
White Pine	18	55	(9)	93	0	(0)	117	(5)	0	(0)		
Hemlock	19	52	(12)	85	0	(0)	98	(5)	0	(0)		
SOUTHWEST												
Northern Red Oak	429	602	(27)	775	204	(2)	447	(2)	689	(2)	960	(2)
White Oak	199	275	(21)	350	92	(2)	196	(2)	377	(2)	1003	(2)
Mixed Oak	183	281	(17)	378	92	(2)	175	(2)	334	(2)	0	(0)
Black Cherry	549	819	(19)	1089	226	(2)	754	(2)	1115	(2)	2086	(2)
White Ash	127	224	(11)	320	92	(2)	153	(2)	247	(2)	0	(0)
Hard Maple	219	393	(10)	568	164	(2)	409	(2)	622	(2)	1453	(2)
Soft Maple	153	235	(23)	318	92	(2)	186	(2)	506	(2)	0	(0)
Yellow Poplar	125	192	(18)	260	92	(2)	173	(1)	232	(2)	177	(1)
Misc. Hardwoods	66	121	(25)	177	108	(1)	103	(2)	173	(1)		
White Pine	62	76	(9)	91	0	(0)	98	(2)	0	(0)		
Hemlock	47	70	(3)	93	0	(0)	98	(2)	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.