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1979 PRICE REPORT

by

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Delivered log prices moved up broadly during the April 1978 to April 1979 period. The only noticeable exception was red oak veneer logs in the smaller size classes and large select walnut veneer logs. White oak continued to lead the upward price movement. Ash also continued to show strength.

Sawlog prices were up about 10% overall. The prime grade was up an average of 14% overall, led by red oak, the other oaks, ash, and cottonwood. No. 1's were up an average of 10% led by white oak and ash. No. 2's and 3's were up 7% and 8% respectively. The trend for large price increases for the smallest and lowest grade of walnut logs continued. No. 1's walnut logs jumped 19%. These trends are consistent with lumber markets and the dwindling supply of walnut timber. The supply of white oak timber in the larger and higher grades still appears sufficient to attract increased log supplies by increasing prices.

Veneer log prices were up about 13% overall. Prime white oak was up about 40% overall and select about 25%. Red oak was mixed but generally off. The large prime logs continued to show strength, but the small lower grades were off by as much as 32%. Black walnut was up 14% overall in the prime grade but only about 1% in the select grade. The small selects showed the greatest increase and the large selects the greatest decrease. Since the small selects dominate the market the actual market average was up significantly. Tulip poplar showed little activity. The actual trend is probably a price increase sufficient to cover the increase in producer costs.

Little activity was reported for miscellaneous products such as container veneer, and handle logs and bolts. Hickory handle logs brought about \$180. White ash and hard maple brought about \$300. No. 5 crossties brought about \$700 and No. 2's about \$330. One piling log buyer reported prices. The price given was well over \$100.

The prices reported for custom work appear to be in line. Custom sawing varied between \$150 and \$45 for the 35 mills responding. The average was \$89. Logging prices varied between \$80 and \$15 for the 9 operators reporting. The average was \$48. Hauling costs varied between \$80 and \$25 for the 6 operators reporting. The average was \$42. This indicates that on average it cost \$90 per MBF to convert standing timber into logs delivered to a mill.

* * * * *

Table 1. Prices* paid for delivered sawlogs, April 1979, Indiana.

Species	Prime Logs**					No. 1 logs					No. 2 logs					No. 3 logs				
	Range 1979	No. Re-sponses 1979	Average 1979	Change 78/79	Range 1979	No. Re-sponses 1979	Average 1979	Change 78/79	Range 1979	No. Re-sponses 1979	Average 1979	Change 78/79	Range 1979	No. Re-sponses 1979	Average 1979	Change 78/79	Range 1979	No. Re-sponses 1979	Average 1979	Change 78/79
White Ash	500-180	44	296	361	+22	400-120	46	230	271	18	300-80	44	160	181	+13	150-60	46	113	117	+4
Passwood	350-120	29	205	227	+11	300-100	33	170	181	6	200-70	32	130	140	+8	150-50	38	106	114	+8
Beech	280-120	33	147	157	+7	240-100	39	129	136	5	180-60	34	115	117	+2	150-50	38	104	114	+10
Cottonwood	200-100	26	120	144	+20	160-100	28	111	128	15	150-70	27	101	112	+11	150-50	32	98	109	+11
Cherry	500-160	42	289	345	+19	400-100	46	234	268	15	300-80	43	162	183	+13	150-60	44	117	118	+1
White Elm	380-120	19	133	154	+14	300-100	22	124	138	11	250-70	20	114	119	+4	150-50	28	107	112	+5
Shagbark Hickory	300-100	37	150	173	+15	250-100	40	129	143	11	180-70	36	113	123	+9	150-50	41	105	113	+8
Sugar Maple	400-160	41	224	249	+11	300-100	46	183	190	4	250-80	43	137	145	+6	175-60	44	108	119	+10
Soft Maple	300-110	35	177	190	+7	250-100	40	149	160	7	200-70	38	123	131	+7	175-50	41	105	116	+10
White Oak	500-190	35	277	338	+22	600-120	45	210	255	21	300-80	46	147	166	+13	200-60	45	113	120	+6
Ped Oak	450-160	42	260	319	+23	350-120	49	204	234	15	300-80	47	152	161	+6	200-60	48	112	120	+7
Black Oak	450-120	36	245	298	+22	300-100	42	201	215	7	250-80	40	150	154	+3	150-60	43	111	118	+6
Tulip Poplar	300-150	41	201	222	+10	300-120	46	166	176	6	200-80	41	132	138	+5	150-60	44	106	116	+9
Sycamore	200-100	28	136	147	+8	170-100	33	120	131	9	150-70	32	110	114	+4	150-50	36	102	112	+10
Sweet Gum	260-100	22	131	147	+12	240-100	24	121	131	8	160-70	25	116	115	-1	150-50	30	107	111	+4
Black Walnut	1000-250	31	499	525	+5	800-200	35	407	442	9	600-150	31	315	335	6	600-60	28	186	222	+19

*Prices are per thousand board feet, Doyle Log Scale

**Purdue Sawlog Grades

Table 2. Delivered prices* of logs purchased for face veneer, April 1979, Indiana.

Species	d.i.b.	Prime Logs				Select Logs				Change 78/79
		Range 1979	No. Re- sponses	Average 1978 1979	Change 78/79	Range 1979	No. Re- sponses	Average 1978 1979	Change 78/79	
White Oak	16-17	1500-600	13	715 1015	+42	1000-300	8	465 675	+45	
	18-20	1800-600	12	859 1166	+36	1100-300	8	705 756	+7	
	21-23	2200-700	13	903 1323	+47	1400-300	7	674 892	+32	
	24-28	2200-700	13	1015 1423	+40	1400-300	7	850 935	+10	
	29-up	2200-700	10	1147 1520	+33	1600-300	7	740 978	+32	
Red Oak	16-17	550-300	7	397 384	-3	250-250	3	330 250	-24	
	18-20	650-300	7	460 392	-15	250-250	3	370 250	-32	
	21-23	650-300	7	410 414	+1	300-250	3	265 266	0	
	24-28	650-300	7	410 442	+8	350-250	3	310 300	-3	
	29-up	650-300	7	420 457	+9	350-250	3	260 300	+15	
Sugar Maple**										
Tulip Poplar	16-17	a a	1	265 a	a	300-125	2	211 212	0	
	18-20	a a	1	281 a	a	300-150	2	212 225	+6	
	21-23	a a	1	275 a	a	300-150	2	205 225	+10	
	24-28	500-200	2	370 350	-5	300-150	2	270 225	-17	
	29-up	a a	1	350 a	a	500-150	3	262 316	+21	
Black Walnut	16-17	4000-1500	12	2140 2608	+22	2500-800	7	1190 1542	+30	
	18-20	5000-1500	12	2400 2941	+23	2500-1000	7	1675 1785	+7	
	21-23	6000-1750	12	3027 3412	+13	3000-1200	7	2105 2150	+2	
	24-28	7000-2000	12	3500 3808	+9	4000-1500	7	2525 2428	-4	
	29-up	8000-2000	10	4157 4350	+5	4500-1500	7	3675 2642	-28	

*Prices are per thousand board feet, Doyle Log Scale.

**No transaction reported

^aWithheld to avoid disclosure of individual firm data.