

1967

Notes on Forestry and Wood Use: Price Report on Indiana Timber Products

Roy C. Brundage

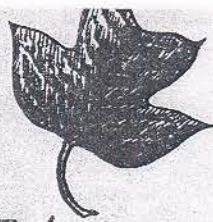
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Notes on Forestry and Wood-use



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PRICE REPORT ON INDIANA TIMBER PRODUCTS

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Prices given in this report were obtained from a mailed survey to the primary timber products industries in Indiana. Quotations were requested for average prices paid during the month of March 1967. (All prices for logs are per thousand board feet Doyle Log Scale). The summaries of the returned questionnaires have been compiled for two areas; namely northern and southern Indiana (Figure 1). The rates for custom sawing, timber cutting and hauling are given also for the two areas and for that period.

Considerable variation was found for various species and log grades in the two areas, when average sawlog prices for 1967 are compared with those of same period in 1966 (Tables 1-2, graphs 3-4). In the southern part of the State, average prices of prime and number one logs of nearly all species except black walnut, advanced 1 to 14 dollars. The exception in this area was for prime logs of red and black oak. However, these showed a decline of only 1 dollar.

Prime and number one grade sawlogs of black walnut advanced 5 to 38 dollars in southern Indiana but dropped 2 to 66 dollars in the north.

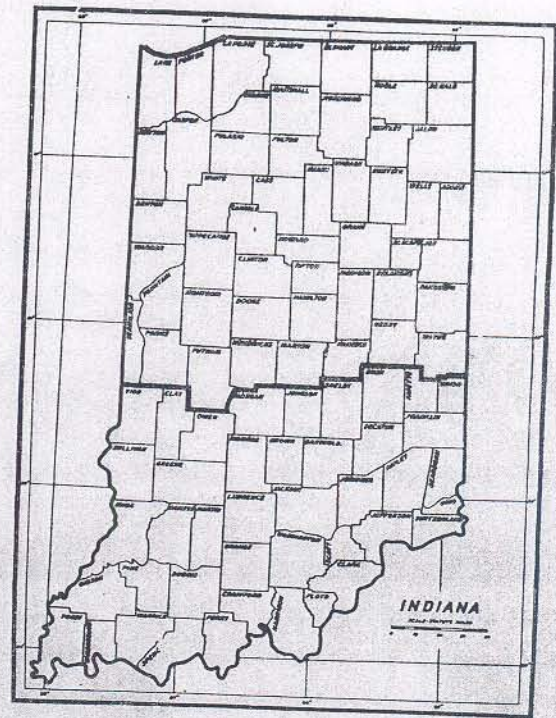


Figure 1. Dark line divides northern and southern areas to which price data apply.

In the northern area, average sawlog prices for most species were lower than in 1966. Only shagbark hickory, sugar maple, soft maple, tulip poplar (trade name -- yellow

Table 1. Prices of delivered sawlogs, March 1967, northern Indiana.*

| Species | PRIME LOGS | | | NO. 1 LOGS | | | NO. 2 LOGS | | | NO. 3 LOGS | | |
|---------------------|---------------|----------------------|-----|---------------|----------------------|-----|---------------|----------------------|-----|---------------|----------------------|----|
| | Range 1967 | Average 1967 1966 | | Range 1967 | Average 1967 1966 | | Range 1967 | Average 1967 1966 | | Range 1967 | Average 1967 1966 | |
| | Dollars | | | Dollars | | | Dollars | | | Dollars | | |
| 67 White Ash 46 | 60-120 | 90 | 104 | 50-100 | 75 | 82 | 40-65 | 50 | 56 | 30-50 | 43 | 41 |
| Basswood 41 | 60-120 | 89 | 90 | 50-105 | 80 | 75 | 40-65 | 51 | 51 | 30-60 | 45 | 41 |
| Beech 77 | 50-70 | 59 | 59 | 40-70 | 54 | 55 | 20-55 | 43 | 42 | 20-50 | 42 | 41 |
| Cottonwood 75 | 45-70 | 55 | 51 | 40-65 | 50 | 49 | 30-55 | 42 | 41 | 20-50 | 44 | 41 |
| Cherry 42 | 80-150 | 116 | 118 | 60-125 | 97 | 101 | 45-80 | 61 | 63 | 40-60 | 47 | 46 |
| White Elm 56 | 50-80 | 56 | 58 | 45-60 | 52 | 53 | 40-50 | 46 | 47 | 40-50 | 45 | 44 |
| 66 Shagbark Hickory | 50-70 | 56 | 55 | 40-65 | 53 | 50 | 30-60 | 47 | 46 | 20-60 | 44 | 44 |
| 44 Sugar Maple | 90-150 | 121 | 116 | 60-125 | 95 | 92 | 40-97 | 64 | 62 | 30-75 | 50 | 45 |
| 43 Soft Maple | 80-120 | 99 | 98 | 55-105 | 83 | 81 | 30-90 | 58 | 54 | 30-60 | 47 | 43 |
| 22 White Oak | 60-140 | 90 | 91 | 50-100 | 75 | 77 | 30-80 | 55 | 55 | 25-55 | 41 | 43 |
| 35 Red Oak | 60-125 | 89 | 89 | 50-100 | 74 | 71 | 30-70 | 50 | 53 | 20-55 | 42 | 43 |
| 37 Black Oak | 50-100 | 67 | 68 | 45-70 | 56 | 62 | 30-55 | 47 | 49 | 20-50 | 42 | 42 |
| 45 Tulip Poplar | 80-120 | 100 | 97 | 60-100 | 84 | 80 | 45-80 | 58 | 58 | 20-60 | 46 | 42 |
| 76 Sycamore | 50-80 | 60 | 55 | 45-70 | 54 | 51 | 30-60 | 48 | 47 | 20-60 | 44 | 44 |
| 11 Black Walnut | 100-300 | 222 | 288 | 75-250 | 181 | 214 | 50-200 | 126 | 128 | 40-150 | 94 | 75 |

*Prices are per thousand board feet Doyle log scale.

Table 2. Prices of delivered sawlogs, March 1967, southern Indiana.*

| Species | PRIME LOGS | | | NO. 1 LOGS | | | NO. 2 LOGS | | | NO. 3 LOGS | | |
|---------------------|---------------|----------------------|-----|---------------|----------------------|-----|---------------|----------------------|-----|---------------|----------------------|----|
| | Range 1967 | Average 1967 1966 | | Range 1967 | Average 1967 1966 | | Range 1967 | Average 1967 1966 | | Range 1967 | Average 1967 1966 | |
| | Dollars | | | Dollars | | | Dollars | | | Dollars | | |
| 67 White Ash | 60-150 | 92 | 90 | 40-105 | 70 | 67 | 30-70 | 47 | 47 | 20-50 | 35 | 38 |
| 41 Basswood | 60-120 | 90 | 83 | 45-100 | 72 | 63 | 40-80 | 52 | 51 | 25-60 | 41 | 42 |
| 77 Beech | 40-90 | 63 | 60 | 28-70 | 52 | 48 | 20-60 | 41 | 40 | 20-50 | 37 | 37 |
| 75 Cottonwood | 40-80 | 56 | 51 | 30-65 | 48 | 42 | 30-50 | 42 | 37 | 25-50 | 38 | 38 |
| 42 Cherry | 70-150 | 111 | 104 | 50-125 | 86 | 82 | 30-85 | 57 | 53 | 20-60 | 42 | 41 |
| 56 White Elm | 40-70 | 53 | 51 | 30-60 | 48 | 45 | 20-60 | 42 | 39 | 27-50 | 38 | 37 |
| 66 Shagbark Hickory | 45-85 | 58 | 50 | 30-65 | 49 | 43 | 20-50 | 41 | 39 | 23-50 | 40 | 37 |
| 44 Sugar Maple | 60-160 | 110 | 100 | 50-150 | 90 | 79 | 30-80 | 56 | 53 | 30-60 | 44 | 39 |
| 43 Soft Maple | 50-150 | 93 | 79 | 40-110 | 75 | 62 | 30-90 | 54 | 49 | 20-65 | 43 | 39 |
| 22 White Oak | 60-150 | 99 | 90 | 45-150 | 76 | 70 | 20-80 | 53 | 51 | 20-60 | 41 | 39 |
| 35 Red Oak | 60-125 | 81 | 82 | 40-100 | 64 | 61 | 20-80 | 50 | 46 | 20-60 | 40 | 37 |
| 37 Black Oak | 50-105 | 75 | 76 | 40-85 | 61 | 57 | 20-65 | 48 | 45 | 20-50 | 37 | 38 |
| 45 Tulip Poplar | 75-150 | 111 | 96 | 50-125 | 84 | 72 | 40-80 | 60 | 54 | 30-60 | 47 | 42 |
| 76 Sycamore | 45-85 | 60 | 59 | 35-70 | 51 | 43 | 30-60 | 44 | 38 | 20-50 | 36 | 37 |
| 7 Sweet Gum | 50-100 | 70 | 67 | 45-80 | 57 | 50 | 30-60 | 46 | 42 | 20-50 | 37 | 38 |
| 11 Black Walnut | 150-500 | 284 | 246 | 100-350 | 183 | 178 | 50-200 | 115 | 112 | 40-100 | 69 | 80 |

*Prices are per thousand board feet Doyle log scale.

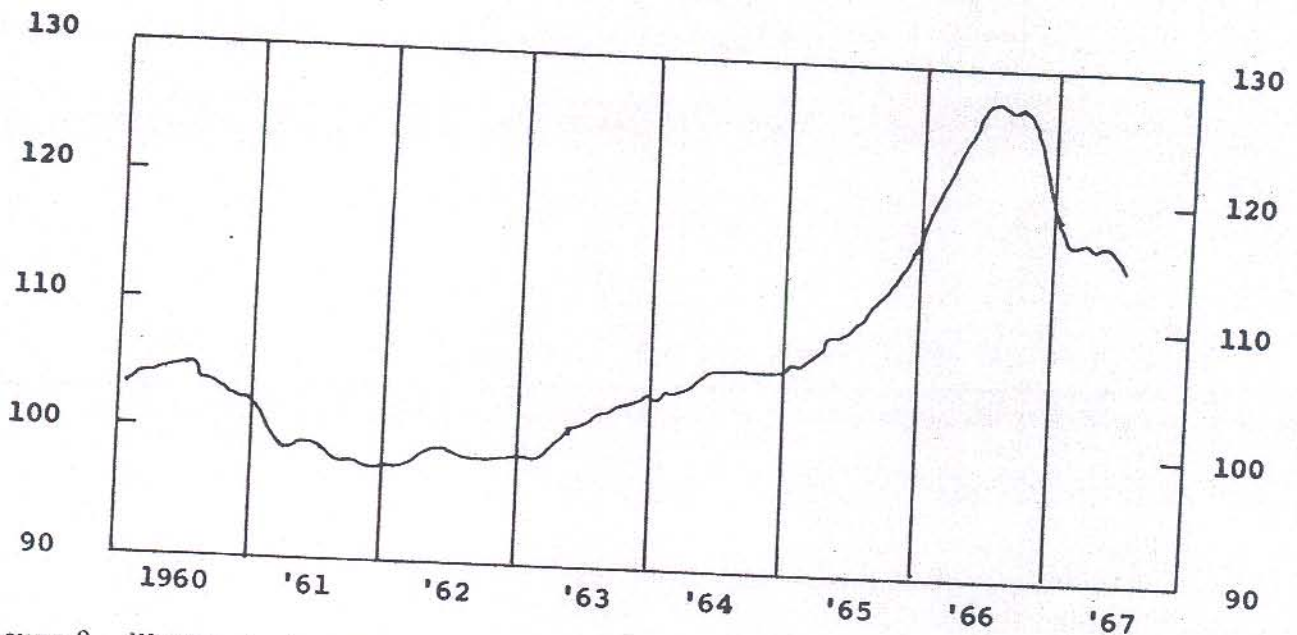


Figure 2. Wholesale Lumber Price Index For Hardwoods in U. S. 1960 to middle of 1967. (1957-59=100). From Economic data by MacKay-Shields Economics, Inc. for National Forest Products Association.

poplar) and sycamore increased 1 to 5 dollars for prime and number one grade logs. This increase for these species was unusual, since the wholesale price index for hardwood lumber in the United States dropped 3 per cent below the level of April 1966 and there has been a strong trend downward since the middle of 1966 (Figure 2).

Average prices for oak and sugar maple veneer logs in northern Indiana increased in 1967 over those of 1966 (Tables 3-4, graphs 5-6). This was true, also, for tulip poplar in the south. However, price changes for black walnut veneer logs were mixed. Prime logs in northern Indiana slipped down 30 to 40 per cent below the average prices of 1966, and with the exception of select logs 24 inches and larger, this grade of log also registered a price drop in the north (Figure 5).

Veneer Logs

Prime walnut veneer logs in southern Indiana followed the trend of sawlogs and ad-

vanced three to five per cent on the average.

However, the increase in average price for select walnut logs was a steep 22 to 50 per cent. The competitive demand for this class of log between veneer mills and sawmills is believed to be the cause of the sharp price increase.

Figures 3 to 6 show the trend in log prices for selected species and grades for the past 10 years.

Pulpwood

Delivered prices paid by companies buying unpeeled pulpwood varied according to hauling distance. The base price per ton was \$5.70 to \$5.80 with additional amounts given per ton depending upon the hauling distance. Maximum prices varied from \$6.00 to \$7.25 a ton.

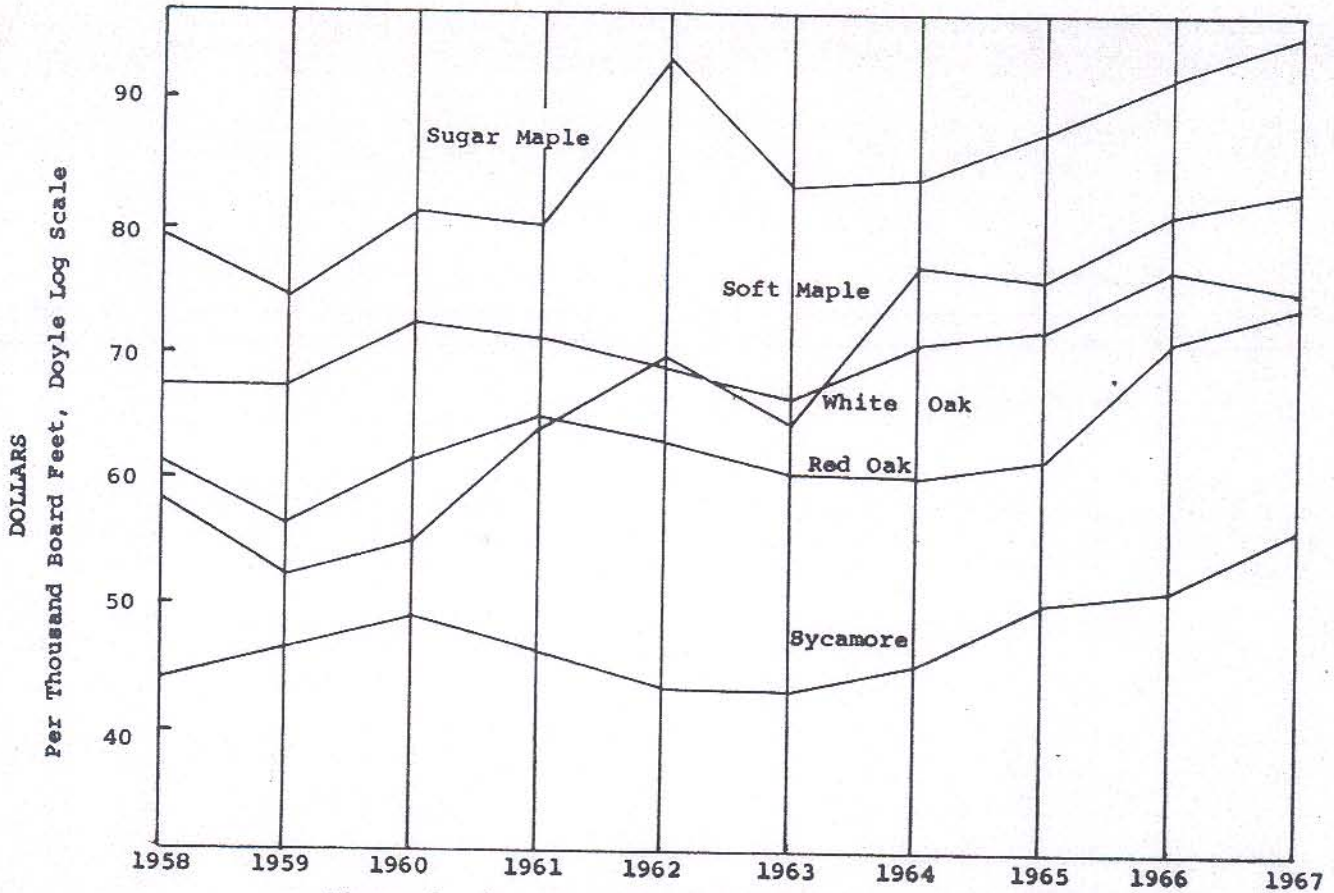


Figure 3. Average delivered prices of number one grade sawlogs for five species in northern Indiana, 1958-1967.

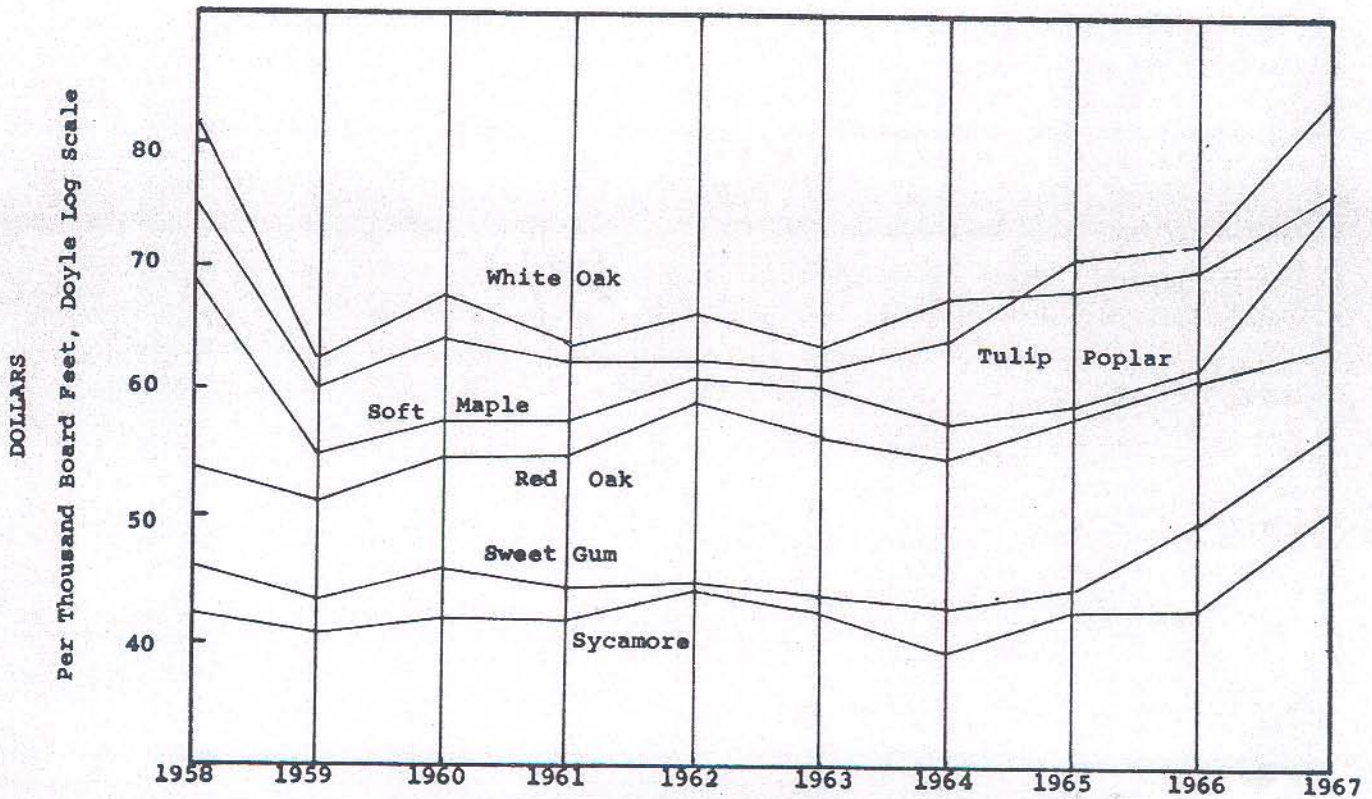


Figure 4. Average delivered prices of number one grade sawlogs for six species in southern Indiana, 1958-1967.

Slabwood

Several sawmills in Indiana are bundling debarked slabs and selling them to pulp manufacturing companies. Prices paid for delivered slabs were \$4 to \$5 a ton.

Chipwood

Some sawmills have installed chippers and are producing chips for pulpmills both within the state and adjacent to it. Prices are negotiated with each producer.

Container Veneer Logs

Delivered prices by log grades were as follows per thousand board feet:

| <u>Species</u> | <u>Prime & No. 1</u> | <u>No. 2 & No. 3</u> |
|-----------------|------------------------------|------------------------------|
| Beech, Sycamore | | |
| Cottonwood | \$50-\$75 | \$45-\$50 |
| Soft Maple | 60-100 | 45-50 |
| Sweet Gum | 60-80 | 45-50 |
| Black Gum | 50-60 | 40-50 |

Handle Logs and Bolts

High quality white ash logs 14 inches and larger in diameter with a higher percentage

of sapwood were quoted at \$135 to \$140 delivered. Sugar maple logs and white ash of second grade brought \$100 a thousand delivered.

White ash bolts -- 4, 5, and 6 feet long were priced at \$100 per M. White ash purchased by the cord (176 cu. ft.) brought \$80.

Cooperage

Three grades of white oak logs were purchased for cooperage. Prime logs ranged from \$130 to \$135 a thousand, Doyle log scale; number one logs \$100 to \$110; and number two logs \$60 to \$65. Some markets accepted split bolts i.e. half round or quartered. Price for high quality bolts was \$135 per cord foot of heartwood.

Custom Sawing

The average charge for custom sawing in northern Indiana was 10 per cent greater this year than for 1966 and 14 per cent above that of 1965 (Table 5). Southern mills increased charges on the average 20 per cent. The average rates for timber cutting declined about a dollar in the north but increased about 3 dollars in the south. Hauling charges increased only about 50 cents per thousand board feet in both areas of the State.

Table 3. Delivered prices of face veneer logs, March 1967, northern Indiana.*

| Species | Log Diameter Inches | PRIME LOGS | | SELECT LOGS | |
|---------|---------------------|------------|--------------|-------------|--------------|
| | | Range 1967 | Average 1967 | Range 1967 | Average 1967 |
| White | 16-17 | | | 150-200 | 166 |
| Oak | 18-20 | 175-250 | 200 | 150-250 | 183 |
| | 21-23 | 175-300 | 225 | 150-300 | 187 |
| | 24-28+ | 175-350 | 266 | 200-300 | 200 |
| | | | | | 202 |
| Sugar | 16-17 | 225-400 | 292 | 265 | |
| Maple | 18-20 | 225-400 | 292 | 281 | |
| | 21-23 | 250-400 | 308 | 281 | |
| | 24-28+ | 250-400 | 325 | 281 | |
| | | | | | |
| Black | 16-17 | 300-500 | 412 | 743 | 370 |
| Walnut | 18-20 | 500-600 | 550 | 920 | 400 |
| | 21-23 | 700-800 | 750 | 1120 | 500 |
| | 24-28+ | 900-1200 | 1075 | 1600 | 767 |
| | | | | | 629 |

*Prices are per thousand board feet Doyle log scale

Table 5. Custom rates for timber processing, per thousand board feet -- Doyle Log Scale.

| Operation | Northern Indiana | | Southern Indiana | |
|-------------------------|------------------|--------------|------------------|--------------|
| | Range 1967 | Average 1967 | Range 1967 | Average 1967 |
| Sawing logs into lumber | \$25-50 | 34.43 | \$19-40 | 31.41 |
| Timber Cutting | 7-15 | 9.82 | 10-20 | 11.75 |
| Timber Hauling | 10-30 | 17.08 | 10-22 | 15.82 |

Table 4. Delivered prices of face veneer logs, March 1967, southern Indiana.*

| Species | Log Diameter Inches | PRIME LOGS | | SELECT LOGS | |
|---------|---------------------|------------|--------------|-------------|--------------|
| | | Range 1967 | Average 1967 | Range 1967 | Average 1967 |
| White | 16-17 | 90-220 | 162 | 100-150 | 125 |
| Oak | 18-20 | 120-265 | 185 | 100-200 | 158 |
| | 21-23 | 180-300 | 244 | 150-250 | 200 |
| | 24-28+ | 220-400 | 302 | 200-300 | 217 |
| | | | | | 148 |
| Red | 16-17 | 120-200 | 157 | | |
| Oak | 18-20 | 125-200 | 163 | | |
| | 21-23 | 125-165 | 147 | | |
| | 24-28+ | 125-175 | 153 | | |
| | | | | | |
| Sugar | 16-17 | 200-350 | 262 | 100-200 | 150 |
| Maple | 18-20 | 200-360 | 280 | 100-300 | 183 |
| | 21-23 | - | - | | |
| | 24-28+ | - | - | | |
| | | | | | |
| Tulip | 16-17 | 120-150 | 142 | 90-130 | 108 |
| Poplar | 18-20 | 120-180 | 150 | 100-130 | 115 |
| | 21-23 | 140-200 | 166 | 120-185 | 140 |
| | 24-28+ | 140-200 | 171 | 120-185 | 151 |
| | | | | | 100 |
| Black | 16-17 | 300-1500 | 796 | 250-900 | 367 |
| Walnut | 18-20 | 500-1500 | 916 | 300-1000 | 616 |
| | 21-23 | 400-1500 | 966 | 350-800 | 620 |
| | 24-28+ | 400-2000 | 1078 | 500-800 | 718 |
| | | | | | 580 |

*Prices are per thousand board feet Doyle log scale

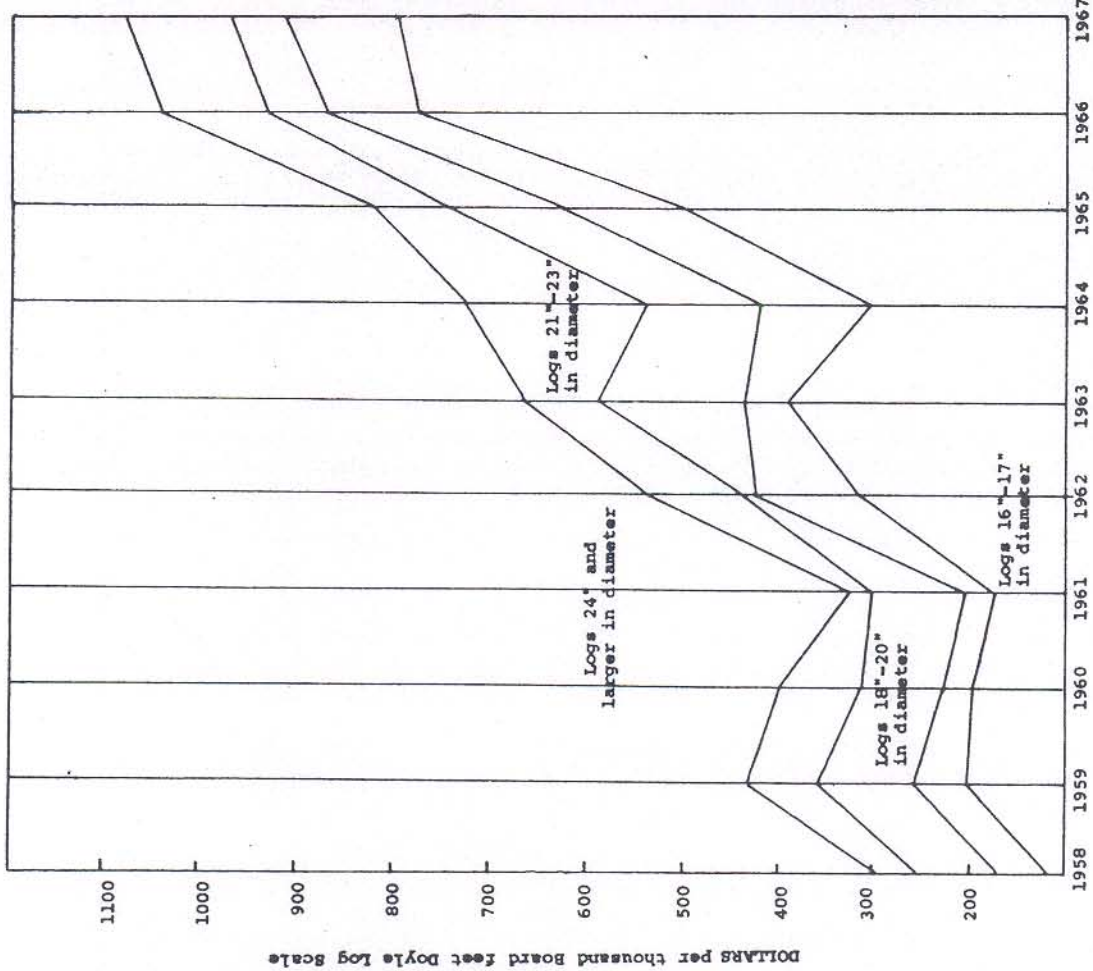


Figure 6. Average delivered prices of prime black walnut veneer logs in southern Indiana, 1958-1967.

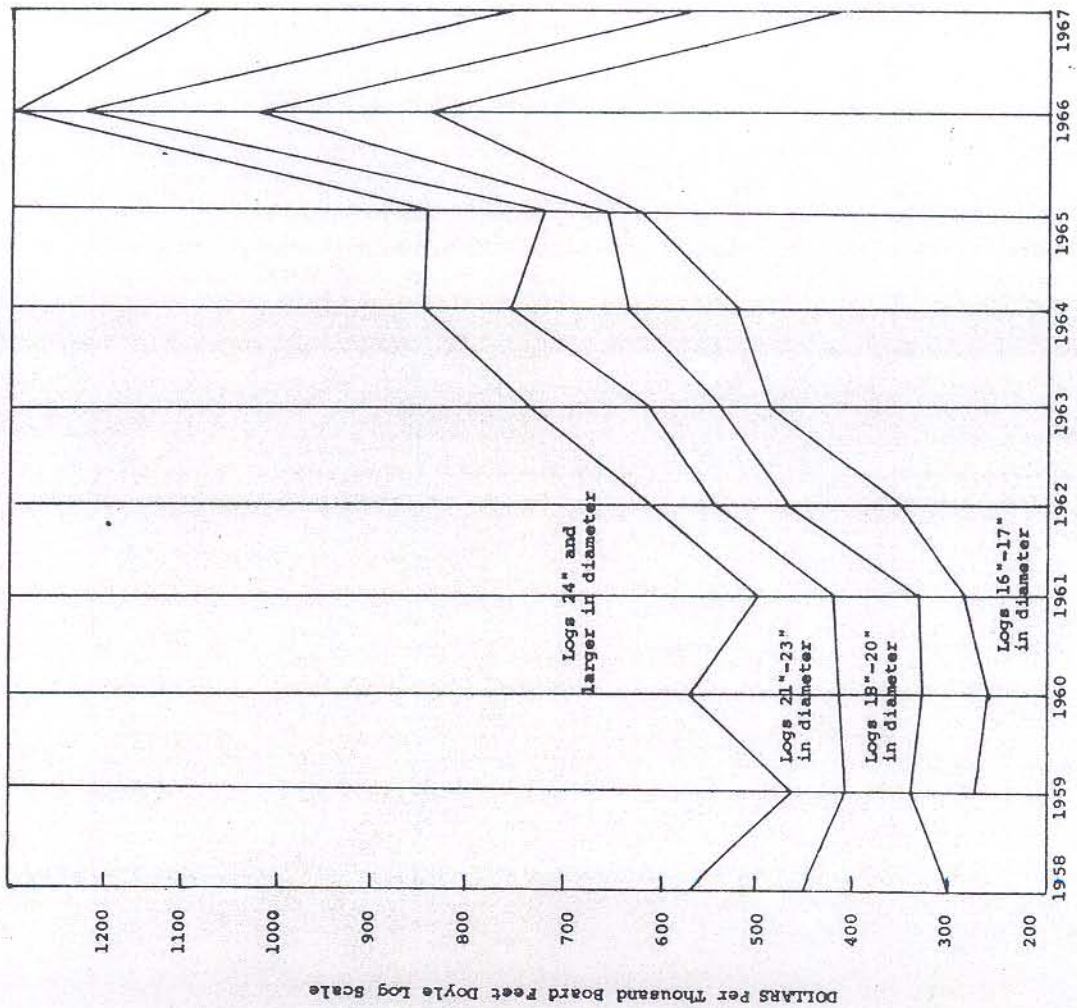


Figure 5. Average delivered prices of prime black walnut veneer logs in northern Indiana, 1958-1967.

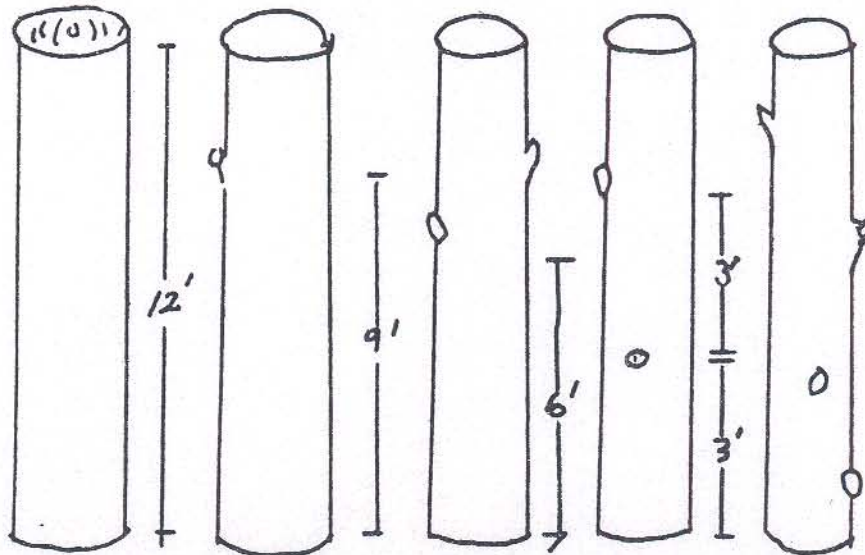
Purdue Saw Log Grades *

Prime: Practically (90 percent) surface clear on three visible faces. (A face is any one-quarter of the surface of a log.) Must be 16 inches or more in diameter inside bark⁸ at the small end.

No. 1: At least three-fourths (75 percent) of the log length on the three visible faces must be surface clear in one section. Must be at least 14 inches in diameter inside bark at the small end.

No. 2: At least one-half (50 percent) of the log length must be surface clear on the three visible faces in two sections, neither of which can be less than 3 feet long. Must be at least 10 inches in diameter inside bark at the small end.

No. 3: Will not meet No. 2 specifications.



Prime
16" or
larger
90% clear

No. 1
14" and
larger
75% clear

No. 2
10" in
Diameter
and larger
50% clear

No. 2

No. 3

* Log quality depends to a large degree on log size, and the number and location of surface defects. A detailed discussion of grading saw-logs is given in Agricultural Extension Bulletin #346, How to Grade Hardwood Sawlogs. This can be obtained from county agents or by writing to the Cooperative Extension Service at Purdue University, Lafayette, Indiana.

The Extension Service of the Department of Forestry and Conservation also publishes a Timber Marketing Bulletin about every 10 weeks. This contains listings of timber for sale or items that the timber markets desire to purchase. For information on this service write to:

R. C. Brundage, Extension Specialist in Wood Utilization
Department of Forestry and Conservation
Horticulture Bldg., Purdue University
Lafayette, Ind. 47907

Other publication are as follows:

Extension Bulletin 283, "Wooden Fence Posts"

Extension Bulletin 293, "How to Measure a Woods"

Extension Leaflet 384, "Recommended Minimum Timber Cutting Practices for Indiana"

Mimeo F-4, "How to Use the Tree Measuring Stick"

Mimeo F-8, "Marketing Farm Timber"

These publications or additional copies of this mimeo may be obtained from county agent offices or from Extension Specialists:

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