



## How Much Are My Hardwoods Worth? 2003 edition

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The markets for oak, maple, ash, basswood and cherry veneer and sawlogs have become very active in the past few years. This means that timber buyers are approaching more landowners who have hardwood timber. The more you know about Michigan timber markets and the process of selling timber, the better able you will be to get the best price for your timber and the highest profit from your woodlot.

### How Much Timber Do You Have?

The value of your timber first depends upon how much of it you have. Standing timber is known as *stumpage* and is usually sold as *pulpwood*, *sawtimber* or *veneer*. *Pulpwood* is measured in terms of cords - stacks of wood 4 feet x 4 feet x 8 feet. *Sawtimber* and *veneer* are sold by the board foot - a piece of wood 12 inches x 12 inches x 1 inch - and are usually reported in terms of thousands of board feet (MBF). How much volume you have in each tree is determined by measuring the diameter of the tree at 4.5 feet above the ground (diameter breast height or DBH) and estimating how many feet up the tree will be veneer, sawlogs or pulpwood. Veneer logs generally must be at least 12 inches in diameter at the smaller end and sawlogs must be at least 10 inches. Volume tables are available from your County Extension office if you would like to try to estimate your timber volume yourself. You look up the volume of a tree in these tables based upon its DBH and the length of the potential log or logs.

Equations known as "log scales" are used to calculate the tree volume from the measurements. There are three log scales commonly in use - *Scribner* that is used in the Upper Peninsula, *International* used in the Northern Lower Peninsula, and *Doyle* used in the Southern Lower Peninsula. Since the volume estimates from each of these scales is different, it is important to know with which scale your timber is being measured. A tree 30 inches in diameter, measured 4.5 feet above the ground, with 48 feet of trunk saleable as sawtimber or veneer contains one thousand board feet, International 1/4-inch scale. The same tree would have only 898 board feet using Doyle and 933 using Scribner. Two 22-inch diameter trees, also with 48 feet of timber, would also contain one thousand board feet, International scale.

### The Current Markets<sup>1</sup>

Veneer and sawtimber are of special interest as their value is often several times that of pulpwood. Stumpage prices<sup>2</sup> for many Michigan hardwoods had been increasing for several years but prices decreased over the past year in some areas for several species. Ash, basswood, and black cherry prices declined throughout the state over the past year. Aspen prices declined except in the northern Lower Peninsula and soft maple declined in most of the state.

Hard (sugar) maple and white birch prices, however, increased except in the western Upper Peninsula. Consumers' tastes very much affect hardwood stumpage prices. Hard maple is still in demand for furniture and for trim and cabinets in houses and offices, hence the relatively high prices paid for it. As hard maple replaced oak in many consumer goods, at the beginning of 2000 hard maple stumpage prices began to surpass those for oak. Red oak prices have fallen from their highs near \$600/MBF of mid 1998.

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<sup>1</sup> Stumpage prices are for the northern Lower Peninsula and the Upper Peninsula only. Data are not available for the southern Lower Peninsula.

<sup>2</sup> Prices are estimated from Michigan Department of Natural Resources, Forest Management Division - Timber Sale Management System Report October 1, 2001 through September 30, 2002 and Timber Mart North, Volume 8, Number 2, April 2002 through September 2002. George Banzhaf & Company, Milwaukee, WI.

Prices for veneer quality stumpage are usually significantly higher than are those for sawtimber. Up to \$1100 per thousand board feet was paid in 2002 for white birch, hard maple and soft (red) maple veneer stumpage. Veneer stumpage, however, must meet high quality standards and be straight and free of limbs, holes (even small bird pecks), and other defects.

### **Representative Price Ranges for Northern Michigan Hardwood Stumpage 2002**

<b>Species</b>	<b>Pulpwood price per cord</b>	<b>Sawtimber price per thousand board feet (MBF)</b>	<b>Price trend</b>
Ash	\$11	\$100-\$150	Down
Aspen	\$28	\$60-\$80	Down except in NLP
Basswood	\$6	\$115-\$160	Down
Beech	\$5	\$70-\$100	Down in UP, up in NLP
Cherry	\$11	\$240-\$300	Down
Hard Maple	\$13	\$460-\$760	Up except in Western UP
Red Oak	\$13	\$360-\$470	Up
Soft Maple	\$16	\$150-\$190	Down in most areas
White Oak	\$10	\$60-\$150	Mixed
White Birch	\$17	\$50-\$180	Up except in Western UP
Yellow Birch	\$17	\$250-\$380	Mixed

### **Why Your Timber Is Worth More or Less than Your Neighbor's**

You can use the average stumpage prices above to get a general idea of about how much you can get for your timber. But stumpage value depends not only upon the volume you have to sell but other factors as well. Prices paid for any sawtimber and veneer stumpage vary greatly depending upon the season of the year and timber demand in your part of the state. Seasonal fluctuations in prices occur when wood becomes more scarce, for example because of poor timber access during spring thaws. There is more hardwood timber buying in the southern Lower Peninsula because this region is closest to the hardwood-using mills in southern Michigan, Indiana, and Ohio. In the Upper Peninsula, however, some hardwood prices can be quite a bit higher than those in the northern Lower Peninsula.

What it would cost a buyer to harvest your timber is another large factor. The amount of timber you have to sell in one tract and how easily it is accessed affects the buyer's harvesting costs and profits. The easier a site is to harvest, the higher the stumpage price you should be able to get for the timber on it. Likewise, the more restrictions you put into your timber sale contract, the more costly your timber becomes to harvest and the lower the stumpage prices you will be offered. Timber sales should usually be competitively bid to determine the actual market value in your area. The bid with the highest stumpage value, however, is not always the best choice. The reputation and other characteristics of the bidder should be taken into consideration as well.

### **Where to Go For Help**

Professional consulting foresters can help you with determining what and how much timber you have to sell and in setting up a timber sale.

Your local Michigan State University Extension Office and the Forestry Area of Expertise website have other fact sheets and bulletins on measuring and marketing timber, sample timber sale contracts, and lists of consulting foresters and other sources of assistance.

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Forestry Area of Expertise Team:  
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