



How Much Are My Hardwoods Worth? 2005 edition

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The markets for oak, maple, and cherry veneer and sawlogs and for aspen pulpwood have been 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 ¼-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 Markets¹

Veneer and sawtimber are of special interest as their value is often several times that of pulpwood. Stumpage prices² for many Michigan hardwoods had been increasing for several years. The price increases in hard (sugar) maple since 1997 have been especially notable, with some hard maple sawtimber being sold for over \$1000 per MBF in the Upper Peninsula. Red oak prices have increased again after declining from 1999 to 2002, but have not reached the highs \$600/MBF of mid 1998. 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 hard maple stumpage prices began to surpass those for oak.

Prices for veneer quality stumpage are usually significantly higher than are those for sawtimber. For example, up to \$3900 per thousand board feet was paid in the past 12 months for hardwood stumpage on state forest lands. Veneer stumpage, however, must meet high quality standards and be straight and free of limbs, holes (even small bird pecks), and other defects.

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

² Prices are estimated from Michigan Department of Natural Resources, Forest Management Division - Timber Sale Management System Report April 1, 2004 through March 31, 2005 and Timber Mart North, Volume 11, Number 1, October 2004 through March 2005. George Banzhaf & Company, Milwaukee, WI.

Representative Price Ranges for Northern Michigan Hardwood Stumpage 2004-05

Species	Pulpwood price per cord	Sawtimber price per thousand board feet (MBF)	Sawtimber price trend
Ash	9 - 18	95 - 110	Steady
Aspen	20 - 45	65 - 100	Upward
Basswood	5 - 10	105 - 220	Upward slightly
Beech	3 - 5	45 - 120	Steady
Cherry	not available	250 - 705	Upward
Hard Maple	5 - 20	730 - 1105	Upward
Red Oak	15 - 30	405 - 440	Upward
Soft Maple	20 - 30	200 - 260	Up slightly
White Oak	10 - 15	80 - 130	Steady
White Birch	10 - 30	145 - 250	Steady
Yellow Birch	10-22	290 - 500	Upward

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 scarcer, 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. Resource professionals with the Michigan Association of Conservation Districts, Michigan Department of Natural Resources Cooperative Forest Management Foresters, industrial foresters and the Michigan Forest Association also provide varying levels of assistance.

Your local Michigan State University Extension Office and the Forestry Area of Expertise website contains lists of consulting foresters and other sources of assistance as well as other fact sheets and bulletins on measuring and marketing timber, sample timber sale contracts, treatment of income taxes related to timber growing.

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