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1982 Price Report - 2nd Quarter

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1982 PRICE REPORT - 2nd QUARTER
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Stumpage prices, Table 1, were generally down in May from those reported in February. This is due in large part to a $10 increase in hauling costs. The only species to increase was black walnut. The lowest grade of sawlogs decreased the least. The biggest losers were the "whitewood" species: cottonwood, sycamore, etc. This is consistent with the trends observed in hardwood lumber prices. The price paid by both grade and pallet lumber mills for No. 3 sawlogs increased for almost all species and held steady for most species in the higher log grades.

Stumpage prices for low grade veneer logs were generally up, Table 2, especially for black walnut. High grade white oak logs decreased the most. The number of mills reporting veneer log prices was down, due in part to problems with getting the questionnaires through the U. S. mail system. The veneer log grades should be interpreted as simply a high and low grade, according to the system used by the reporting mill. No formal "Purdue Veneer Log Grading Rules" are known to exist. In reality each mill has its own set of rules. Capacity utilization rates, Table 3, improved, as discussed in the Outlook. Stumpage purchases were expected to increase during the 2nd quarter, Table 4.

Handle log prices were down for hickory and ash, but up for hard maple. Insufficient date was received to report a trend for container veneer log prices.

Custom costs, Table 5, were up for both logging and hauling and down slightly for sawing.

Table 5. Custom costs, May 1982, Indiana, $/MBF.

	No. Responses	High	Low	Average
Sawing	20	250	75	117
Logging	7	130	34	72
Hauling	8	100	40	65

Table 1. Stumpage prices paid by all units for sawlogs, May 1982, Indiana, $/MBF Doyle log scale.[1]

Species	Prime[1]				No. 1 Logs[2]				No. 2 Logs[3]				No. 3 Logs[2]			
	Range	No. Re-sponses	Average Feb./May	Price Change (%)	Range	No. Re-sponses	Average Feb./May	Price Change (%)	Range	No. Re-sponses	Average Feb./May	Price Change (%)	Range	No. Re-sponses	Average Feb./May	Price Change (%)
White Ash	40-410	23	219/205	- 6	30-250	27	141/131	- 7	0-170	25	65/59	- 9	0-60	21	31/26	-16
Basswood	30-235	19	121/103	-15	10-210	22	89/75	-16	0-135	20	48/42	-13	0-60	1[illegible]	29/26	-10
Beech	0-110	18	54/45	-17	0-110	20	43/35	-19	0-60	17	35/22	-37	0-60	18	29/26	-10
Cottonwood	0-85	16	40/28	-30	0-85	17	32/20	-38	0-60	16	30/13	-57	0-60	15	23/17	-26
Cherry	30-360	22	253/242	- 4	30-310	26	176/166	- 6	0-170	26	84/80	- 5	0-110	22	31/35	13
White Elm	0-110	11	55/45	-18	0-70	14	42/32	-24	0-60	14	35/25	-29	0-60	15	28/30	7
Shagbark Hickory	10-110	17	84/71	-15	0-110	22	80/47	-41	0-70	21	36/28	-22	0-60	19	26/26	0
Sugar Maple	35-260	22	164/143	-13	0-170	26	110/85	-23	0-160	26	57/51	-11	0-70	21	28/28	0
Soft Maple	10-210	20	107/87	-19	0-110	23	72/56	-22	0-60	23	40/33	-18	0-60	20	28/25	-11
White Oak	40-310	23	241/215	-11	30-260	28	155/129	-17	0-160	32	76/63	-17	0-70	24	37/33	-11
Red Oak	40-320	22	241/221	- 8	30-250	26	159/132	-17	0-185	30	77/64	-17	0-70	22	37/30	-19
Black Oak	30-310	21	210/182	-13	30-210	25	133/96	-28	0-110	26	69/56	-19	0-70	22	35/30	-17
Tulip Poplar	20-210	24	137/121	-12	10-190	28	91/78	-14	0-85	25	49/40	-18	0-70	22	30/26	-13
Sycamore	0-90	16	46/36	-22	0-90	18	36/27	-25	0-60	18	32/18	-44	0-70	20	26/23	-12
Sweet Gum	0-110	11	52 43	-17	0-60	13	40/23	-43	0-45	13	35/18	-49	0-70	14	30/23	-23
Black Walnut	360-1,910	14	550/706	28	210-1,410	16	450/491	9	60-510	18	272/278	2	0-510	11	168/159	- 5

[1] Delivered log prices reported by mills less $50 per MBF for logging and $40 per MBF for hauling. These costs should apply to stands with good logging conditions within 30 to 40 miles of the mill. Rough terrain, low harvest volume per acre, small sales, and longer hauls to the mill will increase these costs.

[2] Purdue sawlog grades

Table 2. Stumpage prices paid by all units for veneer logs, May 1982, Indiana, $/MBF Doyle Log Scale.[1]

		Prime[2]				Select[2]			
Species	d.i.b.	Range	No. Responses	Average Feb./May	Price Change (%)	Range	No. Responses	Average Feb./May	Price Change (%)
White Oak	16-17	480-1,380	8	1,035/892	-14	180-1,080	6	863/680	-21
	18-20	680-1,480	7	1,355/1,208	-11	180-1,480	5	1,021/1,030	1
	21-23	680-1,880	8	1,703/1,392	-18	230-1,880	6	1,108/1,171	6
	24-28	880-2,080	7	1,875/1,551	-17	1,080-2,380	5	1,280/1,610	26
	29-up	1,080-2,680	4	1,930/1,755	-9				
Red Oak	16-17	380-380	1	455/380	-16	180-180	1	318/180	-43
	18-20	480-480	1	455/480	5	480-480	1	287/480	67
	21-23	480-480	2	472/480	2	230-480	2	338/355	5
	24-28	480-680	2	488/580	19	280-480	2	346/380	10
	29-up	480-480	1	467/480	3	480-480	1	330/480	45
Sugar Maple	No prices reported								
Tulip Poplar	16-17	130-380	2	192/255	33	110-180	2	123/145	18
	18-20	130-130	1	205/130	-37	110-110	1	156/110	-29
	21-23	130-480	2	217/305	41	110-230	2	156/170	9
	24-28	180-680	2	300/430	43	160-280	2	120/220	83
	29-up	180-180	1	213/180	15	160-160	1	173/160	8
Black Walnut	16-17	680-2,880	6	1,925/1,846	-4	680-1,880	4	1,205/1,330	10
	18-20	1,080-3,380	5	2,390/2,420	1	1,680-2,380	3	1,408/1,980	41
	21-23	1,480-3,880	6	3,255/2,813	-14	880-2,880	4	1,522/2,130	40
	24-28	1,680-4,880	4	3,342/2,705	-19	1,080-3,380	3	1,613/2,113	31
	29-up	1,880-3,880	3	3,963/2,546	-36	1,880-3,380	2	1,530/2,630	72

1 Delivered log prices reported by mills less $80 per MBF for logging and $60 per MBF for hauling. These costs should apply to stands with good logging conditions and within 60 to 80 miles of the mill. Rough terrain, low harvest volumes per acre, and longer hauls will increase these costs.

2 Purdue veneer log grades.

Table 3. Capacity utilization in Indiana's forest products industry, 1st Quarter (January-March) 1982.

Sawmills (MBF)	No. Units Reporting	Reported Capacity	Reported Production	Capacity Utilization
All mills	27	13,998	10,789	77%
Less than 500 MBF/year	8	423	206	49%
500 to 1,500 MBF/year	8	2,055	1,278	62%
Over 1,500 MBF/year	11	11,520	9,305	81%
Veneer Mills (M sq.ft.)				
Container veneer mills, 1/20" basis	2	14,500	7,900	54%
Face veneer mills, 1/36" basis	3	42,211	26,395	63%
Loggers (MBF)				
All Units	11	3,985	3,142	79%

Table 4. Standing timber and logs purchased in 1st Quarter 1982 and expected purchases in 2nd Quarter 1982.

	No. Units Reporting	Purchased 1st Qrt.	Expected 2nd Qrt.	Change from 1st to 2nd
Standing timber (MBF)	13	4,200	4,925	17%
Logs (MBF)	19	7,245	5,870	-19%