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Northeast Timberlands

MAINE STUMPAGE PRICES

Sewall Company conducts periodic surveys of timber prices in different regions of the United States and Canada. These surveys are used in a variety of projects including timberland appraisals and resource availability studies. In the last five years, the surveys generally have been conducted late in the year (November/December) and in the middle of the year (May/June). Our latest survey of western Maine shows a mix of changes in stumpage prices for different species and products.

Figure 1 shows sawtimber stumpage prices for selected species in western Maine since 1994. These represent some of the higher-value species found in the Maine forest. (The prices are for sawlogs only, and do not include veneer logs.)

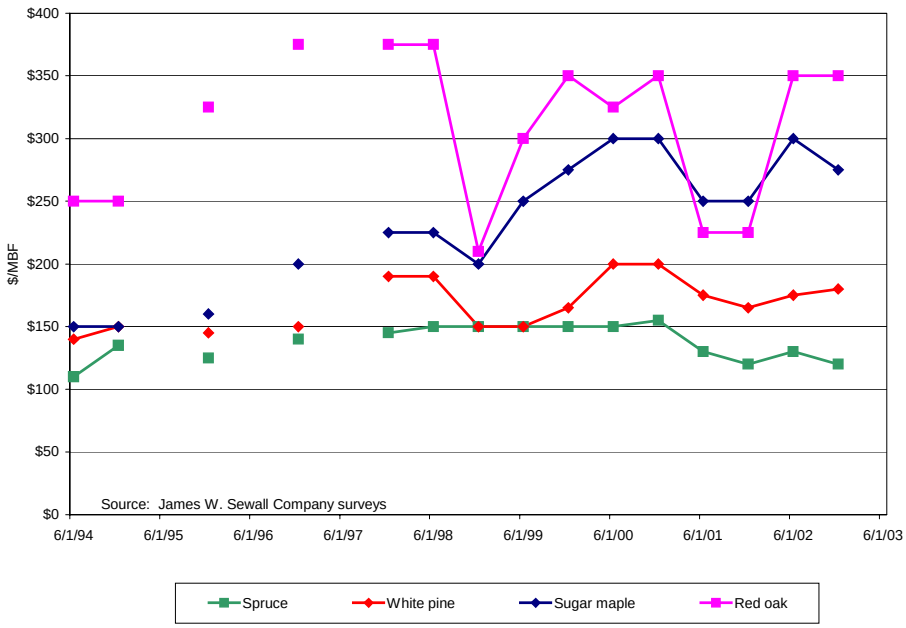

Figure 1. Western Maine Sawtimber Stumpage Prices, June 1994 through December 2002

Red oak sawtimber prices have recovered from low levels in 2001. Sugar maple prices are down slightly at year-end, but are still higher than the average in 2001. White pine prices are off from recent highs, but still doing well. Spruce prices have been falling for the last two years. This reflects the closure of the IP/former Champion mills in central Maine and fierce cost-cutting among Canadian mills in response to the anti-dumping duties imposed earlier this year.

Figure 2 shows pulpwood stumpage prices for western Maine. The fall in spruce/fir pulpwood prices since December 1998 is in part the result of structural changes in the local pulp mills. In response to high spruce pulpwood prices, pulp mills have increased the use of hardwood or other softwoods where possible, and this has reduced demand for spruce pulpwood.

Hardwood pulpwood prices have fallen slightly in the last two years as pulp mills in New Hampshire, New York and Pennsylvania have closed and pulpwood formerly destined for those markets moves east looking for markets. In some ways, it is a surprise that hardwood pulpwood prices have not fallen further. IP's Ticonderoga mill (in New York) is the only operating, hardwood-consuming pulp mill in the northeastern United States west of Rumford, Maine. (Fraser's Berlin, NH mill (formerly American Tissue/Crown Vantage/James River/Brown Company) has begun buying wood in anticipation of a pulp mill start-up in early 2003.) The next closest operating pulp mills are way out west in Ohio and Michigan.

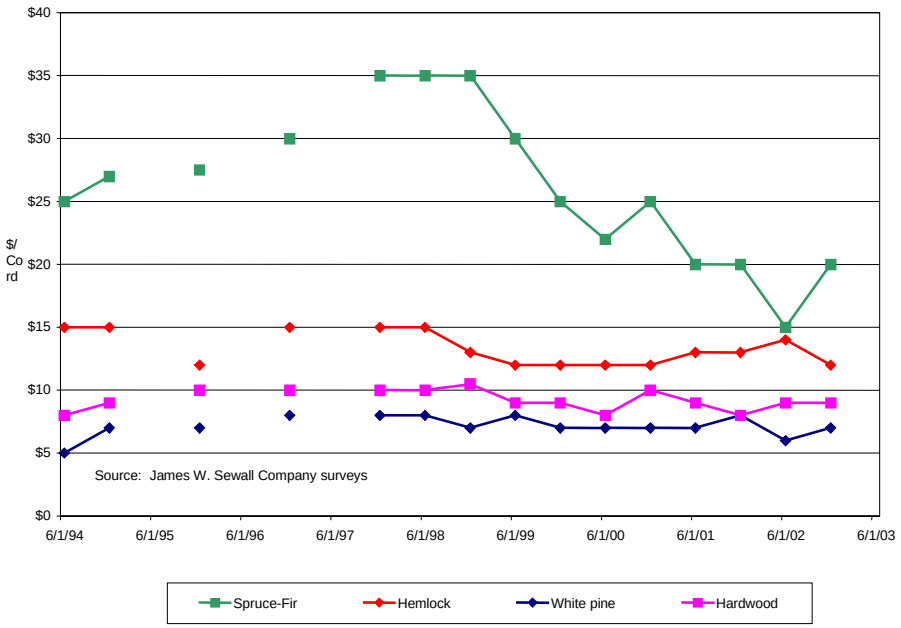

Figure 2. Western Maine Pulpwood Stumpage Prices, June 1994 through December 2002

REGIONAL SOFTWOOD SAWTIMBER STUMPAGE PRICES

Maine is not the entire northern forest. Other parts of the region have shown similar price patterns. Figure 3 compares softwood sawtimber stumpage prices from western Maine and northern New York. Note that both regions have seen similar trends. Prices rose gradually and steadily from June 1994 through December 2000. Then both areas experienced a sharp decline in the first half of 2001. White pine prices have recovered somewhat in both states, but spruce prices have not.

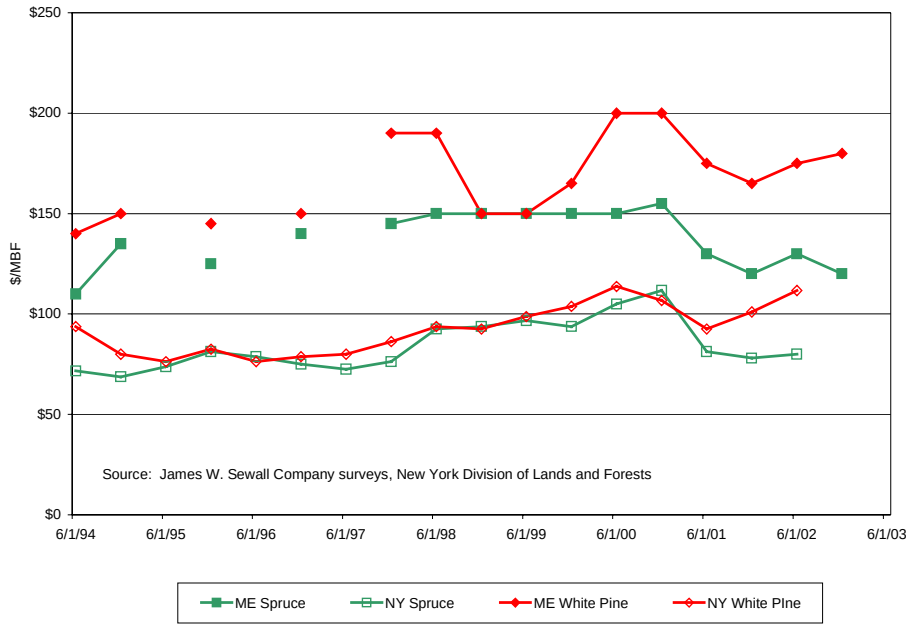

Figure 3. Softwood Sawtimber Stumpage Prices, June 1994 through December 2002

REGIONAL HARDWOOD SAWTIMBER STUMPAGE PRICES

Figure 4 compares sugar maple and red oak sawtimber stumpage prices from western Maine, northern New York and northwestern Pennsylvania. Note that Maine has higher prices for softwood sawtimber (Figure 3), but it has the lowest hardwood sawtimber prices (Figure 4). Sugar maple prices have eased in all three states in the last two years.

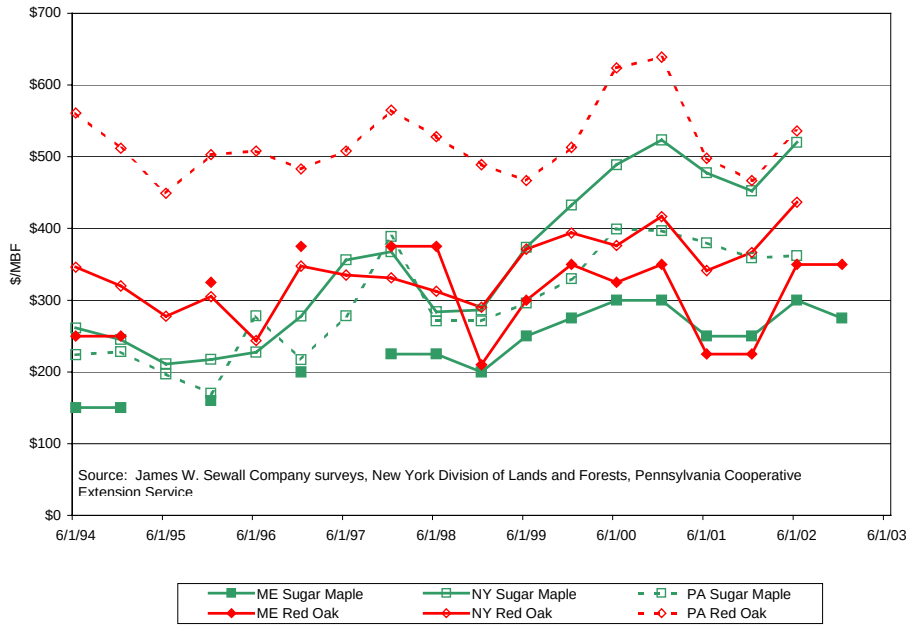

Figure 4. Sugar Maple and Red Oak Sawtimber Stumpage Prices, June 1994 through December 2002

Black Cherry prices are presented separately in Figure 5. The Pennsylvania cherry prices are so much higher than all the other hardwood prices in Figure 4 that including them in Figure 4 made prices for all the other hardwoods appear flat and very stable (Compare the PA sugar maple series in Figure 5 with the same series in Figure 4).

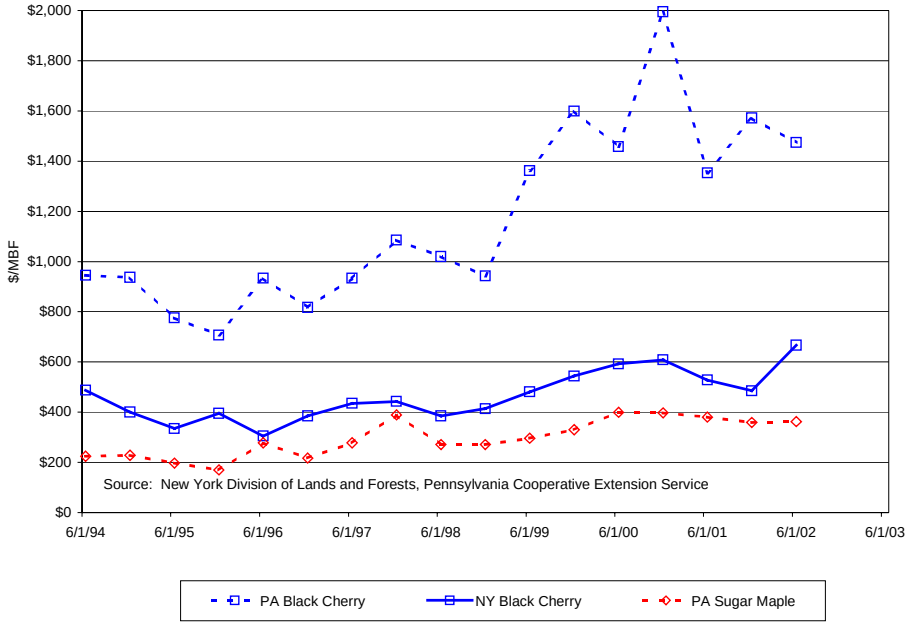

Figure 5. Black Cherry Sawtimber Stumpage Prices, June 1994 through December 2002

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