

STUMPAGE PRICE REPORT

PURPOSE OF REPORT

The purpose of this report is to summarize bid prices from historic State Forest timber sales to provide DNR staff base information for determining a minimum acceptable bid for future timber sales. The State Forest system is managed by Forest, Mineral, and Fire Management (FMFM).

This report is intended to serve only as a guide to timber stumpage prices and to monitor market trends. It should not be used to determine the fair market value of a specific timber sale. The prices paid for a specific stand of timber will vary considerably due to such factors as size, species, quality, quantity, logging conditions, distance to the mill, end product, demand and competition. Timber markets often change rapidly and, therefore, prices in this report are not necessarily a reflection of current market prices. It is strongly recommended to obtain assistance from professional foresters and use the competitive bidding process as the ultimate determinant of fair market value for any specific tract of timber.

GENERAL NOTES

1. All prices are weighted by volume.
2. This report is based on the contract issue date, which is often the same as the bid date, but not always.
3. In general, the Baraga Forest Management Unit (FMU) uses the Scribner Decimal C log rule with an 8.0" top diameter inside bark (DIB).
In general, the Crystal Falls FMU uses the International 1/4" log rule with a 10.0" top DIB.
In general, the rest of the Upper Peninsula (UP) uses the Scribner Decimal C log rule with a 10.0" top DIB.
In general, the Northern Lower Peninsula (NLP) uses the International 1/4" log rule with an 8.0" top DIB.
4. Volumes and values are only totaled when comparable measurement units exist, e.g. International 1/4" to a 10.0" DIB is only added to International 1/4" to a 10.0" DIB. For example, there is no Statewide total, except for # of Sales Sold, because cruising specifications and log rules are different between Upper Peninsula and Northern Lower Peninsula.

ORDER OF REPORT

The report is ordered by the four (4) timber products sold by the DNR/FMFM: Sawlogs, Pulpwood, Poles, and Bolts. Sawlog prices by species are listed first, followed by Pulpwood, Poles, and Bolts. If a product or species is not listed in the report, this

indicates that the product or species was not sold for the period of the report. After all species for a product are listed, the report includes a section of Exclusions. This section includes prices that were “excluded” from the Average Sold Price because they appear to be skewed. The species used by DNR/FMFM are as follows:

AMERICAN ELM	BLACK SPRUCE	MIXED SOFTWOOD	SCOTCH PINE
B.T. ASPEN	HEMLOCK	N. WHITE CEDAR	SUGAR MAPLE
BALSAM FIR	JACK PINE	OTHER COMM. SP.	TAMARACK
BALSAM POPLAR	MISCELLANEOUS	PAPER BIRCH	WHITE ASH
BASSWOOD	MIXED ASPEN	Q. ASPEN	WHITE OAK
BEECH	MIXED HARDWOOD	RED MAPLE	WHITE PINE
BLACK ASH	MIXED OAK	RED OAK	WHITE SPRUCE
BLACK CHERRY	MIXED PINE	RED PINE	YELLOW BIRCH

COLUMN NOTES

- Column 1 and 2. Number of Sales Sold, Total Volume and all Prices are only reported for bid species and products. “No-bid” species and products are not included. “No-bid” species and products are those that are included on the bid form and the contract, but the price is set with no option to bid. This is used for species and products that are minor components of a sale. Number of Sales Sold, Total Volume and all Prices are only reported for advertised sales. Unadvertised sales, e.g. direct sales, negotiated sales, small receipt sales, firewood permits, etc., are not included.
- Column 3. Average Price at Time of Appraisal is the one-year average of sold prices at the time of appraisal. This may be considered an estimate of the “going rate” and is the starting point for the appraisal. The DNR – FMFM appraisal process is a valuation process that sets a minimum acceptable bid price.
- Column 4. Average Advertised Price is the minimum acceptable bid price at time of advertisement. This price was determined by the DNR – FMFM appraisal process.
- Column 5. Ratio of Column 4 to Column 3 is the ratio of Average Advertised Price to the Average Price at Time of Appraisal. A number less than 100 indicates that the Average Advertised Price was less than the “going rate”. A number greater than 100 indicates that the Average Advertised Price was greater than the “going rate”.
- Column 6. Average Sold Price is the average price sold for the period. Sales are awarded to the high responsive/responsible bidder based on the sale lump sum bid.

Column 7. Percent Change from Column 3 to Column 6 is the ratio of the difference between Average Sold Price and Average Price at Time of Appraisal to the Average Price at Time of Appraisal. A positive number indicates that current prices are increasing over past prices. A negative number indicates that current prices are decreasing over past prices.