

17 June 2005

Coverage

Great Britain

Theme

Agriculture, Fishing and
Forestry

Timber Price Indices

Data for the year to March 2005

This release contains the latest figures for the Coniferous Standing Sales Price Index, and the Softwood Sawlog Price Index, for Great Britain. It is an amended version of the release issued on 26 May 2005, which used incorrect data for the GDP deflator to convert the indices into real terms.

The Standing Sales Price Index measures the average price received per cubic metre of standing sales timber from Forestry Commission sales. The Index is expressed in real terms (1996 prices), and is adjusted for timber size mix using Laspeyres' method (see below).

The Softwood Sawlog Price Index measures the average price received per cubic metre of sawlogs from Forestry Commission sales. The Index is expressed in real terms (1996 prices).

The main findings are:

- Coniferous standing sales prices in Great Britain were 3.7 percent higher in real terms in the year to March 2005, compared with the previous year. This increase is in contrast to the longer-term trend in coniferous standing sales prices.
- The average price per cubic metre overbark standing was £6.13 in nominal terms (£4.98 in 1996 prices) in the year to March 2005.
- The Softwood Sawlog Price Index was 4.3 percent higher in real terms in the year to March 2005, compared with the previous year.

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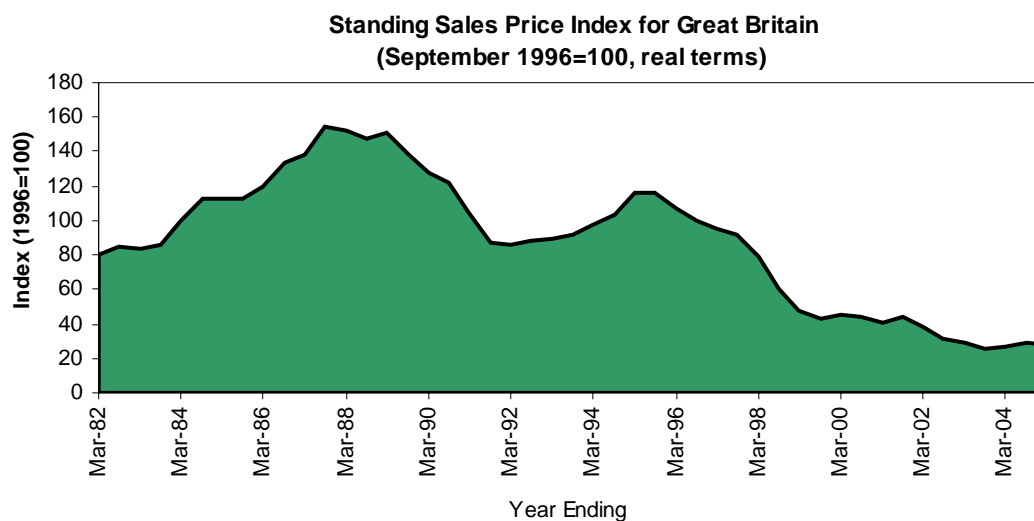
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Coniferous Standing Sales Price Index

Chart 1: Coniferous Standing Sales Price Index for Great Britain



Note: Chart 1 illustrates the aggregate trend of prices received for all conifers sold standing on the Forestry Commission estate. Interpretation should be on that basis only. The index does not show end product price changes nor local trends, conditions or prices and cannot be interpreted on that basis.

Table 1: Percentage change in Coniferous Standing Sales Prices for Great Britain

	Percentage change compared with previous year	
	Nominal Terms	Real Terms (1996=100)
Year to March 2005	5.8	3.7
Year to March 2004	-2.9	-5.9

Table 2: Coniferous Standing Sales Prices for Great Britain
(Per cubic metre overbark)

Year to:	Average Price £	Real Average Price £ (1996 Prices)	Laspeyres Index in Nominal Terms Year to Sept 1996=100	Laspeyres Index in Real Terms (1996 Prices) Year to Sept 1996=100
31-Mar-82	5.37	10.74	40.0	80.0
30-Sep-82	6.86	13.23	43.9	84.6
31-Mar-83	7.06	13.19	44.6	83.3
30-Sep-83	7.34	13.35	47.2	85.8
31-Mar-84	8.94	15.96	56.3	100.4
30-Sep-84	10.37	18.02	65.0	113.0
31-Mar-85	10.26	17.41	66.7	113.1
30-Sep-85	10.36	17.11	68.1	112.5
31-Mar-86	11.26	17.93	75.4	120.1
30-Sep-86	12.19	19.32	84.0	133.1
31-Mar-87	12.62	19.68	88.7	138.4
30-Sep-87	14.59	22.16	101.8	154.6
31-Mar-88	15.36	22.69	102.7	151.7
30-Sep-88	15.29	21.94	103.1	148.0
31-Mar-89	15.80	21.83	109.1	150.6
30-Sep-89	15.57	20.75	104.1	138.8
31-Mar-90	15.14	19.53	99.4	128.2
30-Sep-90	15.48	19.18	98.0	121.4
31-Mar-91	13.75	16.44	87.3	104.4
30-Sep-91	11.06	12.83	75.3	87.4
31-Mar-92	11.22	12.64	76.4	86.1
30-Sep-92	11.99	13.25	80.0	88.4
31-Mar-93	12.33	13.46	82.2	89.8
30-Sep-93	12.68	13.67	84.9	91.5
31-Mar-94	13.87	14.75	91.5	97.3
30-Sep-94	15.25	16.12	98.2	103.9
31-Mar-95	17.28	18.12	110.8	116.2
30-Sep-95	17.74	18.34	112.9	116.7
31-Mar-96	16.59	16.90	104.6	106.6
30-Sep-96	15.97	15.97	100.0	100.0
31-Mar-97	15.92	15.69	96.8	95.4
30-Sep-97	15.52	15.11	94.5	92.1
31-Mar-98	13.35	12.83	82.3	79.1
30-Sep-98	10.32	9.77	64.1	60.7
31-Mar-99	8.44	7.88	51.1	47.8
30-Sep-99	7.65	7.06	46.2	42.7
31-Mar-00	8.13	7.43	49.7	45.5
30-Sep-00	8.02	7.30	48.8	44.4
31-Mar-01	7.54	6.81	45.4	41.1
30-Sep-01	8.32	7.43	49.9	44.6
31-Mar-02	7.34	6.47	43.2	38.1
30-Sep-02	6.38	5.52	36.6	31.7
31-Mar-03	5.69	4.84	33.6	28.6
30-Sep-03	5.08	4.26	30.3	25.5
31-Mar-04	5.60	4.64	32.6	27.0
30-Sept-04	6.19	5.08	35.4	29.0
31-Mar-05	6.13	4.98	34.5	28.0

Softwood Sawlog Price Index

Chart 2: Softwood Sawlog Price Index for Great Britain

Note: The Softwood Sawlog Price Index does not include any private sector data. Chart 2 illustrates the aggregate trend of prices received for all softwood sawlogs sold on the FC estate. Interpretation should be on that basis only. The Index does not reflect local trends, conditions or prices and cannot be interpreted on that basis.

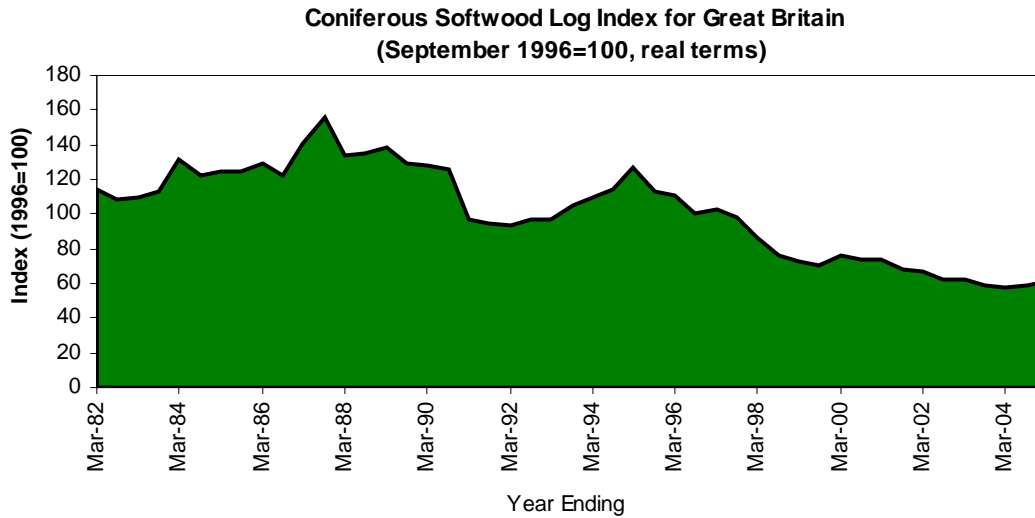


Table 3: Percentage change in Softwood Sawlog Price Index for Great Britain

	Percentage change compared with previous year	
	Nominal Terms (1996=100)	Real Terms (1996=100)
Year to March 2005	6.3	4.3
Year to March 2004	-3.5	-6.2

Table 4: Softwood Sawlog Price Index for Great Britain
(Per cubic metre)

Year to:	Price Index (year to Sept 1996=100)	Price Index in Real Terms (year to Sept 1996=100)
31-Mar-82	57.0	113.9
30-Sep-82	56.4	108.8
31-Mar-83	58.5	109.2
30-Sep-83	62.4	113.4
31-Mar-84	73.9	131.9
30-Sep-84	70.4	122.4
31-Mar-85	73.5	124.7
30-Sep-85	75.4	124.5
31-Mar-86	81.2	129.4
30-Sep-86	76.8	121.8
31-Mar-87	90.5	141.1
30-Sep-87	102.4	155.5
31-Mar-88	91.0	134.4
30-Sep-88	94.3	135.3
31-Mar-89	100.3	138.6
30-Sep-89	96.9	129.2
31-Mar-90	99.5	128.3
30-Sep-90	101.1	125.2
31-Mar-91	80.9	96.7
30-Sep-91	82.0	95.1
31-Mar-92	83.3	93.9
30-Sep-92	87.3	96.4
31-Mar-93	89.3	97.5
30-Sep-93	97.5	105.1
31-Mar-94	103.4	109.9
30-Sep-94	107.7	113.8
31-Mar-95	121.1	127.0
30-Sep-95	109.3	113.0
31-Mar-96	108.6	110.6
30-Sep-96	100.0	100.0
31-Mar-97	104.7	103.1
30-Sep-97	101.1	98.4
31-Mar-98	90.0	86.5
30-Sep-98	80.7	76.5
31-Mar-99	78.1	72.9
30-Sep-99	76.8	70.9
31-Mar-00	83.9	76.7
30-Sep-00	81.6	74.3
31-Mar-01	81.6	73.8
30-Sep-01	75.5	67.5
31-Mar-02	75.3	66.4
30-Sep-02	72.4	62.7
31-Mar-03	72.8	62.0
30-Sep-03	69.9	58.6
31-Mar-04	70.3	58.2
30-Sep-04	71.3	58.4
31-Mar-05	74.7	60.6

Background

Publication cycle

The Coniferous Standing Sales Price Index (CSSPI) is produced by the Forestry Commission (FC) every six months on an annual basis, i.e. data for the year to March are published in May, while data for the year to September are published in November. As these periods overlap, comparisons of values should be made with the same period a year earlier.

Composition

The Coniferous Standing Sales Price Index (CSSPI) is an index of the average prices per cubic metre overbark standing achieved for Forestry Commission standing sales of conifers. It covers all conifer standing sales (open market and negotiated) on the Forestry Commission estate over the twelve month period. All thinning and clearfell data is combined within the index. It includes all species, tree sizes, working practices and conditions on the Forestry Commission estate. It does not include any private sector data.

Calculation

The index uses the 12-month period ending September 1996 as the base. The index is constructed using the Laspeyres method, which corrects distortions in the average price caused by variations in average tree size. This enables prices in different years to be compared on the basis of a constant size mix (the size mix in the base year), but does not consider possible changes in quality or working conditions.

The average prices and the index are expressed in nominal terms (i.e. the actual prices at the time of sale) and in real terms (i.e. the prices converted to 1996 prices by removing the effects of general inflation).

For the real average price and for the index in real terms, the GDP (Gross Domestic Product at market prices) deflator, which is published by the Office for National Statistics (ONS), is applied to the prices to remove the effects of general inflation.

Annual percentage changes quoted in this release are based on unrounded figures.

Revisions

Figures for earlier years may be revised to reflect late updates to administrative systems. Previous real terms standing sales figures may be subject to minor changes depending on revisions to the GDP deflator by ONS.