

# Quality Report:

## Timber Price Indices

### Introduction

Timber Price Indices are published twice a year and comprise two price indices, based on Forestry Commission sales:

- Coniferous Standing Sales Price Index and
- Softwood Sawlog Price Index.

The data are obtained from the Forestry Commission's administrative records of timber sales. Further information on this data source is provided in the Statement of Administrative Sources for the Sales Recording Package, available at [http://www.forestry.gov.uk/pdf/FCSOASSRP.pdf/\\$FILE/FCSOASSRP.pdf](http://www.forestry.gov.uk/pdf/FCSOASSRP.pdf/$FILE/FCSOASSRP.pdf).

### Coniferous Standing Sales Price Index

The Coniferous Standing Sales Price Index monitors the changes in the average price received per cubic metre overbark for timber that the Forestry Commission sold standing, where the purchaser is responsible for harvesting. The index is expressed in real terms (2011 prices), and is adjusted for timber size mix using the Fisher method with 5 yearly chain-linking. Data points represent overlapping 12 month periods.

### Softwood Sawlog Price Index

The Softwood Sawlog Price Index monitors the changes in the average price received per cubic metre overbark of sawlogs (roundwood with a top diameter of 14 cm or more, destined to be sawn into planks or boards) sold at roadside by the Forestry Commission. The index is expressed in real terms (2011 prices), with data points representing 6 month periods.

### Relevance

Timber Price Indices are used to monitor trends in timber prices and to provide information on the state of the UK timber industry. They are also used by the UK timber industry in contract reviews.

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The Forestry Commission's Harvesting and Marketing Officers group and the Expert Group on Timber and Trade Statistics (comprising representatives from the UK timber industry, the Forestry Commission and Forest Service) are consulted as required to ensure that Timber Price Indices:

- remain relevant to users;
- make best use of the available data and
- take account of relevant factors that may influence differences in price.

## Accuracy

A number of checks are performed on the data to ensure accuracy. These include checks against data for previous years, raising queries with operational staff as required.

## Timeliness and punctuality

Indices are published around 6 weeks after the end of the reference period:

- Data to end March are published in mid-May and
- Data to end September are published in mid-November.

Summary results for data to end March are also published in Forestry Statistics at end September, 6 months after the end of the reference period.

## Accessibility and clarity

Timber Price Indices is available on the Forestry Commission website at [www.forestry.gov.uk/statistics](http://www.forestry.gov.uk/statistics) and includes background information on the sources and methodology. The underlying data used to construct the indices, along with longer time series of the indices, are also available to download from the Forestry Commission website in Excel and PDF formats.

Summary results for the period to end March are also published in Forestry Statistics, available from the Forestry Commission website.

## Comparability

The methodology used to calculate the Coniferous Standing Sales Price Index was reviewed in 2008, with a new method (Fisher with 5 yearly chain-linking) introduced from the November 2008 publication. For a 5 year transition period, the previous index (Laspeyres with September 1996 base) is being published alongside the new index. A paper describing the change in methodology is available from the Statistical Methodology and Reviews page of the Forestry Commission website at: [www.forestry.gov.uk/forestry/ahen-589ddl](http://www.forestry.gov.uk/forestry/ahen-589ddl).

## Coherence

These are the only official statistics published for roundwood timber prices in the UK. So, although these are limited to Forestry Commission sales, they are sometimes used as indicators of price trends for other UK softwood. In recent years, softwood has accounted for more than 90% of all timber harvested in Great Britain, and the Forestry Commission has accounted for around half of all softwood sold.

Some private sector data are held by businesses that handle private sector sales, but these are not publicly available as an index.

Log and pulpwood prices for a range of other countries are included in the UNECE timber price database at <http://timber.unece.org/index.php?id=2>.

## Revisions

The Forestry Commission's Revisions Policy outlines our general approach to revisions.

In the release "Timber Price Indices", nominal timber prices and index values in nominal terms are not normally revised, but may be amended to reflect late changes to the timber sales data held on the live management information system and subsequently included in the schedule published by the Forestry Commission's Inventory, Forecasting and Operational Support team (IFOS). All real timber prices and index values in real terms are subject to revision when the GDP deflator is revised by the Office for National Statistics. The coniferous standing sales price index may be subject to revision if the base year is changed or there is another change in methodology; in such cases, the change will be pre-announced and the figures published using both methods for a transition period. No further revisions are normally made before publication in other outputs.

Information on significant revisions made to published statistics are available in the Annex.

Sheila Ward  
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Updated May 2012

## Annex: Significant revisions to published statistics

In 2004 the Timber Price Indices publication was extended to include a sawlog index produced by the Forestry Commission's Operational Support unit. The index was initially thought to represent overlapping years, similar to the standing sales index; it was therefore presented, and real terms values calculated, on that basis. In 2006 it was discovered that the index actually covered separate 6-month periods; adjusting to this basis affected the presentation and resulted in small revisions to the values in real terms, but did not affect the values in nominal terms.

A revised version of the First Release on Timber Price Indices to March 2005 was issued in June 2005, to correct a spreadsheet error in converting to real terms using the GDP deflator.