

27 May 2004

**Coverage**

Great Britain

**Theme**

Agriculture, Fishing and  
Forestry

## Coniferous Standing Sales Price Index

Data for the year to March 2004

This release contains the latest figures for the Coniferous Standing Sales Price Index for Great Britain.

The 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 main findings are:

- Coniferous standing sales prices in Great Britain were 5.2 per cent lower in real terms in the year to March 2004, compared with the previous year.
- This continues the downward path in coniferous standing sales prices, but is a markedly less steep decline than in the year to March 2003, when prices fell by 24.8% in real terms.
- The average price per cubic metre overbark standing was £5.60 in nominal terms (£4.65 in 1996 prices) in the year to March 2004.

The softwood sawlog price index is included with this National Statistics First Release for the first time, in an Annex.

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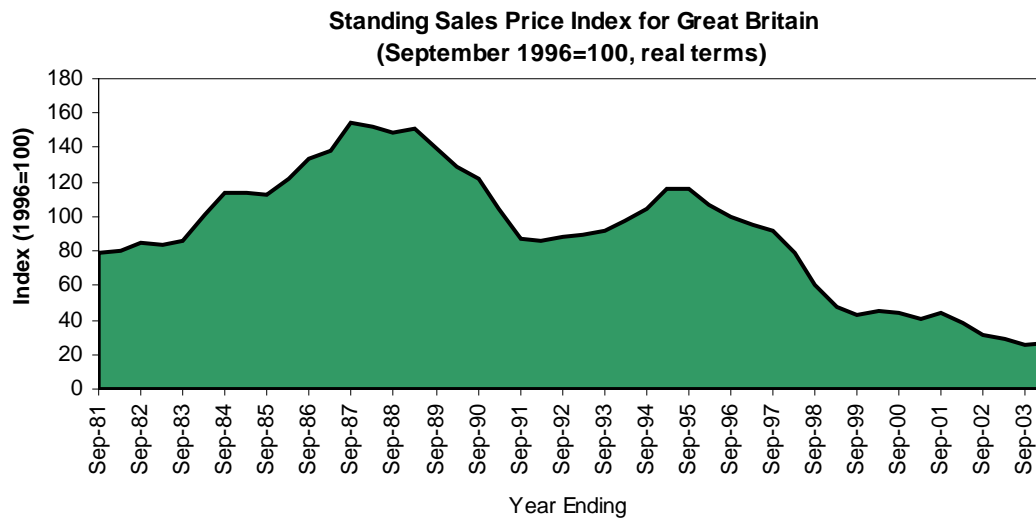
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**Chart 1: Coniferous Standing Sales Price Index for Great Britain**



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 2004	-2.8	-5.2
Year to March 2003	-22.3	-24.8

**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
30-Sep-81	4.61	9.62	37.72	78.65
31-Mar-82	5.37	10.77	40.01	80.15
30-Sep-82	6.86	13.25	43.87	84.80
31-Mar-83	7.06	13.21	44.63	83.46
30-Sep-83	7.34	13.36	47.21	85.92
31-Mar-84	8.94	15.99	56.25	100.62
30-Sep-84	10.37	18.07	64.98	113.26
31-Mar-85	10.26	17.45	66.70	113.37
30-Sep-85	10.36	17.16	68.13	112.85
31-Mar-86	11.26	18.16	75.40	121.60
30-Sep-86	12.19	19.36	83.97	133.41
31-Mar-87	12.62	19.72	88.70	138.68
30-Sep-87	14.59	22.21	101.76	154.89
31-Mar-88	15.36	22.74	102.71	152.06
30-Sep-88	15.29	21.99	103.14	148.32
31-Mar-89	15.80	21.88	109.08	150.99
30-Sep-89	15.57	20.79	104.10	139.06
31-Mar-90	15.14	19.56	99.38	128.44
30-Sep-90	15.48	19.21	97.98	121.61
31-Mar-91	13.75	16.47	87.33	104.59
30-Sep-91	11.06	12.86	75.30	87.52
31-Mar-92	11.22	12.67	76.41	86.32
30-Sep-92	11.99	13.27	80.00	88.52
31-Mar-93	12.33	13.48	82.23	89.89
30-Sep-93	12.68	13.68	84.88	91.63
31-Mar-94	13.87	14.76	91.51	97.39
30-Sep-94	15.25	16.13	98.23	103.94
31-Mar-95	17.28	18.13	110.85	116.27
30-Sep-95	17.74	18.34	112.88	116.71
31-Mar-96	16.59	16.92	104.60	106.63
30-Sep-96	15.97	15.97	100.00	100.00
31-Mar-97	15.92	15.68	96.77	95.35
30-Sep-97	15.52	15.11	94.53	92.06
31-Mar-98	13.35	12.83	82.33	79.12
30-Sep-98	10.32	9.77	64.11	60.70
31-Mar-99	8.44	7.88	51.13	47.76
30-Sep-99	7.65	7.06	46.20	42.64
31-Mar-00	8.13	7.43	49.75	45.46
30-Sep-00	8.02	7.29	48.84	44.39
31-Mar-01	7.54	6.80	45.44	40.99
30-Sep-01	8.32	7.42	49.94	44.55
31-Mar-02	7.34	6.46	43.22	38.00
30-Sep-02	6.38	5.52	36.61	31.67
31-Mar-03	5.69	4.84	33.57	28.57
30-Sep-03	5.08	4.25	30.35	25.43
31-Mar-04	5.60	4.65	32.63	27.08

## **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.

### 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.

### Annex: Softwood Sawlog Price Index

The softwood sawlog price index, which provides information on prices (delivered to roadside) of coniferous sawlogs produced by the Forestry Commission, is provided in the Annex. The sawlog index has been produced for over 20 years, but is now being included with the National Statistics First Release for the first time.

The National Statistics status of the sawlog index should be regarded as experimental, until a review of the methodology used to compile these statistics is completed later this year.

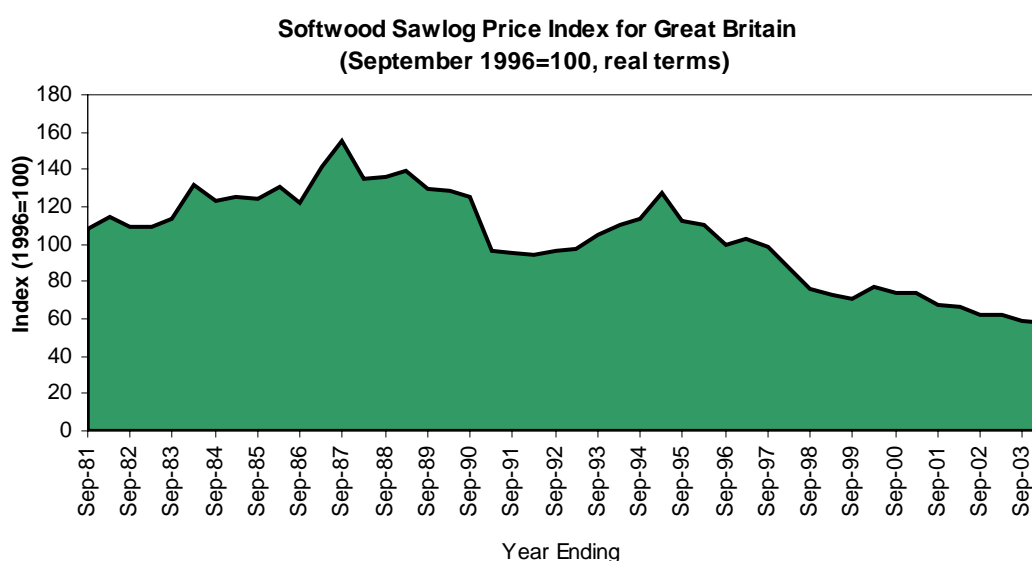
### Softwood Sawlog Price Index

The latest figures for the Softwood Sawlog Price Index for Great Britain are presented below. The 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 finding is:

- The softwood sawlog price index was 5.8 per cent lower in real terms in the year to March 2004, compared with the previous year.

**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 2004	-3.4	-5.8
Year to March 2003	-3.4	-6.5

The National Statistics status of the sawlog index should be regarded as experimental, until a review of the methodology used to compile these statistics is completed later this year.

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

<b>Year to:</b>	<b>Price Index</b> (year to Sept 1996=100)	<b>Price Index</b> <b>in Real Terms</b> (year to Sept 1996=100)
30-Sep-81	52.1	107.8
31-Mar-82	57.0	113.2
30-Sep-82	56.4	108.2
31-Mar-83	58.5	108.7
30-Sep-83	62.4	112.9
31-Mar-84	73.9	131.2
30-Sep-84	70.4	121.9
31-Mar-85	73.5	124.1
30-Sep-85	75.4	123.7
31-Mar-86	81.2	130.1
30-Sep-86	76.8	121.4
31-Mar-87	90.5	140.5
30-Sep-87	102.4	155.0
31-Mar-88	91.0	134.3
30-Sep-88	94.3	135.2
31-Mar-89	100.3	138.6
30-Sep-89	96.9	129.2
31-Mar-90	99.5	128.2
30-Sep-90	101.1	125.1
31-Mar-91	80.9	96.7
30-Sep-91	82.0	95.0
31-Mar-92	83.3	93.7
30-Sep-92	87.3	96.3
31-Mar-93	89.3	97.3
30-Sep-93	97.5	104.9
31-Mar-94	103.4	109.7
30-Sep-94	107.7	113.6
31-Mar-95	121.1	127.0
30-Sep-95	109.3	113.0
31-Mar-96	108.6	110.7
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	76.6
30-Sep-00	81.6	74.2
31-Mar-01	81.6	73.6
30-Sep-01	75.5	67.3
31-Mar-02	75.3	66.2
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	58.4