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Coverage

Great Britain

Theme

Agriculture, Fishing and
Forestry

Timber Price Indices

Data to March 2006

This release contains the latest figures for the Coniferous Standing Sales Price Index and the Softwood Sawlog Price Index, for Great Britain.

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).

Sawlogs and standing timber are distinct markets, and may show different price movements from year to year.

The main findings are:

- The Coniferous Standing Sales Price Index for Great Britain was 13.6% higher in real terms in the year to March 2006, compared with the previous year.
- The average price per cubic metre overbark standing was £7.25 in nominal terms (£5.80 in 1996 prices) in the year to March 2006.
- The Softwood Sawlog Price Index was 6% lower in real terms in the 6 months to March 2006, compared with the corresponding period of the previous year.

Issued by:

Economics & Statistics
Forestry Commission
231 Corstorphine Road
Edinburgh, EH12 7AT

Enquiries:

Simon Gillam 0131 314 6280
statistics@forestry.gsi.gov.uk

Website:

www.forestry.gov.uk/statistics

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 Price Index for Great Britain

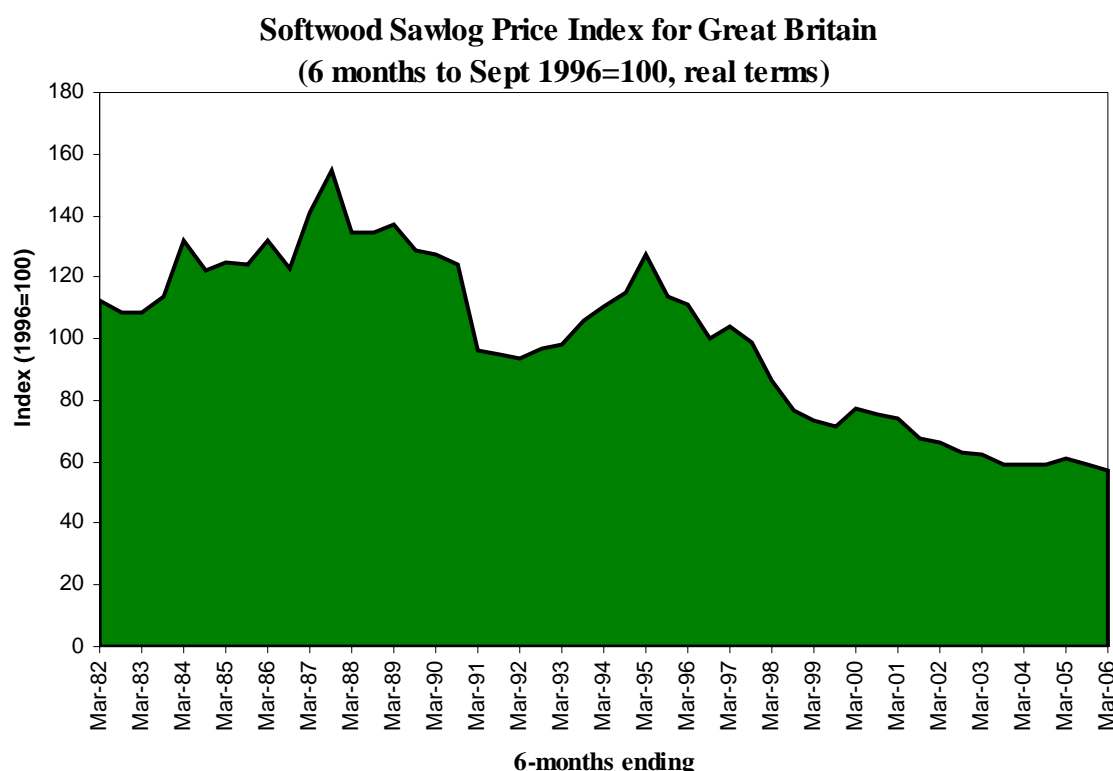
	Percentage change compared with previous year	
	Nominal Terms	Real Terms (1996=100)
Year to March 2006	15.7	13.6
Year to March 2005	5.8	3.5

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	Laspeyres Index in
			Nominal Terms	Real Terms
			Year to Sept 1996=100	Year to Sept 1996=100
30-Sep-81	4.61	9.59	37.7	78.4
31-Mar-82	5.37	10.73	40.0	79.9
30-Sep-82	6.86	13.21	43.9	84.5
31-Mar-83	7.06	13.18	44.6	83.2
30-Sep-83	7.34	13.33	47.2	85.7
31-Mar-84	8.94	15.94	56.3	100.3
30-Sep-84	10.37	18.03	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	17.90	75.4	119.9
30-Sep-86	12.19	19.31	84.0	133.0
31-Mar-87	12.62	19.66	88.7	138.2
30-Sep-87	14.59	22.14	101.8	154.4
31-Mar-88	15.36	22.67	102.7	151.6
30-Sep-88	15.29	21.93	103.1	147.9
31-Mar-89	15.80	21.81	109.1	150.6
30-Sep-89	15.57	20.73	104.1	138.6
31-Mar-90	15.14	19.49	99.4	128.0
30-Sep-90	15.48	19.16	98.0	121.2
31-Mar-91	13.75	16.42	87.3	104.3
30-Sep-91	11.06	12.82	75.3	87.2
31-Mar-92	11.22	12.63	76.4	86.1
30-Sep-92	11.99	13.24	80.0	88.3
31-Mar-93	12.33	13.46	82.2	89.8
30-Sep-93	12.68	13.68	84.9	91.6
31-Mar-94	13.87	14.77	91.5	97.4
30-Sep-94	15.25	16.13	98.2	103.9
31-Mar-95	17.28	18.11	110.8	116.2
30-Sep-95	17.74	18.33	112.9	116.6
31-Mar-96	16.59	16.92	104.6	106.7
30-Sep-96	15.97	15.97	100.0	100.0
31-Mar-97	15.92	15.68	96.8	95.4
30-Sep-97	15.52	15.10	94.5	92.0
31-Mar-98	13.35	12.77	82.3	78.8
30-Sep-98	10.32	9.74	64.1	60.5
31-Mar-99	8.44	7.87	51.1	47.7
30-Sep-99	7.65	7.06	46.2	42.6
31-Mar-00	8.13	7.44	49.7	45.5
30-Sep-00	8.02	7.30	48.8	44.5
31-Mar-01	7.54	6.81	45.4	41.0
30-Sep-01	8.32	7.42	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	4.85	33.6	28.7
30-Sep-03	5.08	4.27	30.3	25.6
31-Mar-04	5.60	4.66	32.6	27.1
30-Sep-04	6.19	5.10	35.4	29.1
31-Mar-05	6.13	4.99	34.5	28.1
30-Sep-05	6.58	5.31	36.2	29.2
31-Mar-06	7.25	5.80	39.9	31.9

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 corresponding 6-month period of previous year	
	Nominal Terms (1996=100)	Real Terms (1996=100)
October 2005 - March 2006	-4.4	-6.0
October 2004 - March 2005	6.3	3.7

Note that the Softwood Sawlog Price Index is calculated for separate six-month periods. This differs from the Coniferous Standing Sales Price Index, which is for overlapping one-year periods, so the percentage changes in Tables 1 and 3 are calculated over different periods.

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

6 months to:	Price Index	Price Index
	(6 months to Sept 1996=100)	in Real Terms (6 months to Sept 1996=100)
30-Sep-81	52.1	107.8
31-Mar-82	57.0	112.6
30-Sep-82	56.4	108.5
31-Mar-83	58.5	108.3
30-Sep-83	62.4	113.7
31-Mar-84	73.9	132.0
30-Sep-84	70.4	122.1
31-Mar-85	73.5	124.9
30-Sep-85	75.4	123.9
31-Mar-86	81.2	132.2
30-Sep-86	76.8	122.6
31-Mar-87	90.5	141.0
30-Sep-87	102.4	154.8
31-Mar-88	91.0	134.2
30-Sep-88	94.3	134.6
31-Mar-89	100.3	137.2
30-Sep-89	96.9	128.7
31-Mar-90	99.5	127.2
30-Sep-90	101.1	123.9
31-Mar-91	80.9	96.4
30-Sep-91	82.0	94.6
31-Mar-92	83.3	93.8
30-Sep-92	87.3	96.8
31-Mar-93	89.3	98.3
30-Sep-93	97.5	105.6
31-Mar-94	103.4	110.7
30-Sep-94	107.7	115.2
31-Mar-95	121.1	127.3
30-Sep-95	109.3	113.7
31-Mar-96	108.6	111.2
30-Sep-96	100.0	100.0
31-Mar-97	104.7	104.1
30-Sep-97	101.1	98.5
31-Mar-98	90.0	86.6
30-Sep-98	80.7	76.6
31-Mar-99	78.1	73.4
30-Sep-99	76.8	71.3
31-Mar-00	83.9	77.4
30-Sep-00	81.6	75.1
31-Mar-01	81.6	74.0
30-Sep-01	75.5	67.9
31-Mar-02	75.3	66.6
30-Sep-02	72.4	62.9
31-Mar-03	72.8	62.5
30-Sep-03	69.9	59.1
31-Mar-04	70.3	58.9
30-Sep-04	71.3	59.2
31-Mar-05	74.7	61.1
30-Sep-05	72.4	58.9
31-Mar-06	71.3	57.4

Background - Standing Sales

Publication cycle

The Coniferous Standing Sales Price Index (CSSPI) is 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 (FC) standing sales of conifers. It covers all conifer standing sales (open market and negotiated) on the FC 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 FC 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.

Sawlog Price Index

Most background notes on CSSPI also apply to the Softwood Sawlog Price Index. The main differences are identified below.

The index is calculated from data covering separate 6-month periods to September and March. This means that the changes reported are not covering the same periods as the CSSPI. Previous releases had incorrectly treated the data as being for overlapping years, so the index in real terms used GDP deflators for slightly incorrect periods. Correcting this has produced revisions to most real terms index values.

The index measures the average price per cubic metre of sawlog sales, with no adjustment for any change in size mix.