

**The Nova Scotia Primary Forest Products
Marketing Board**

on behalf of the

**New Brunswick Department of Natural Resources, the Nova Scotia
Department of Natural Resources and the Prince Edward Island
Department of Environment, Energy and Forestry**

Summary Report of

**Survey Results and Prices for
Standing Timber Sales from Maritime Private
Woodlots**

**Conducted by Nortek Resource Solutions Inc.
for the period**

November 1, 2009 to October 31, 2010

1.0 Introduction

The demand, specifications and price for primary forest products has changed remarkably within the Maritime Provinces over the past 10 years. The economic value and demand for primary forest products have gone from record levels at the start of the decade to record lows as the fallout from the global credit crisis of 2008 caused the demand for all forest products to decline. The collapse of the US housing market combined with the increased value of the Canadian dollar relative to the US dollar had a direct negative impact on value and demand for softwood lumber. This recessive environment has caused stumpage rates paid to private woodlot owners to decline in recent times. Timely data on current stumpage values provide industry, governments, woodlot owners and contractors with an understanding of provincial and regional trends and a method for evaluating their own transactions.

The Nova Scotia Primary Forest Products Marketing Board (NSFPFMB), New Brunswick Department of Natural Resources, Nova Scotia Department of Natural Resources and the Prince Edward Island Department of Environment, Energy and Forestry have facilitated the preparation and completion of this report on private woodlot stumpage information across the Maritime Provinces. The intent of this project was to obtain concurrent stumpage data using a similar methodology so the results can be compared across provincial borders. Stumpage is defined as the price per unit measure paid to a landowner for standing merchantable wood. Summary data, portions of which may be published, will provide a fast and simple means for government, industry, landowners and contractors to assess current stumpage prices and trends.

This project builds upon work that first began in 2004 for Nova Scotia to collect and analyze private woodlot stumpage data. The NSFPFMB has commissioned four Nova Scotia stumpage surveys since that time.

This document summarizes the results obtained from a stumpage survey that covers the consecutive 12 month period from November 1, 2009 to October 31, 2010 for the three Maritime Provinces. The project was overseen by a steering committee that was composed of representatives from each respective government department and the Vice-Chair and Executive Assistant/Manager of the Nova Scotia Primary Forest Products Marketing Board.

During the study period, markets for manufactured forest products continued to be poor for softwood and hardwood lumber products. In contrast, the market for pulp and paper products tended to increase during the survey period, with kraft pulp prices being relatively strong. Newsprint prices continued to rebound after hitting a low during the late summer of 2009.

2.0 Methodology

Each of the respective government departments forwarded an introductory letter to various associations and industry groups to inform the industry that the survey would take place. In the case of Prince Edward Island, letters were sent directly to the contractors that operate within the Province.

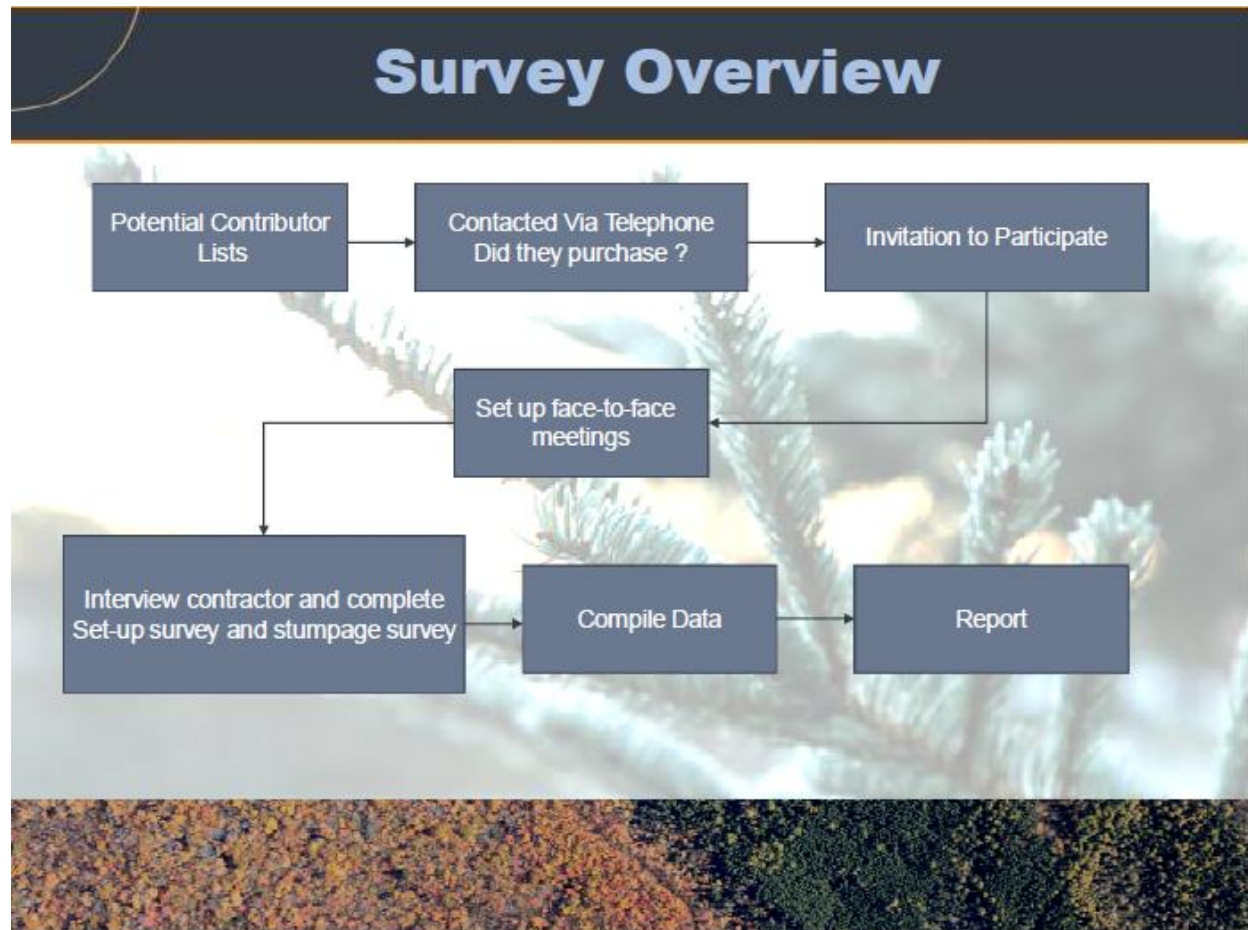
All of the potential contributors in New Brunswick and Prince Edward Island were contacted via telephone to raise awareness of the project and recruit participants. If potential contributors agreed to take part in the survey, they were contacted by field interviewers to schedule a face-to-face interview.

During the face-to-face interviews, a set-up survey was completed. The set-up surveys were designed to provide participants with a good understanding of the project and gather data on operating costs, and normal operating conditions. Once the set-up surveys were completed, participants were asked to complete the stumpage survey.

The survey instrument was designed to capture data over the full 12 month period, with the survey reporting month being defined as the month of the last stumpage payment on a particular job. Participants were asked to report on the last stumpage purchase made in each of the 12 months, if possible.

A similar project was completed in 2008 within Nova Scotia and in the interest of minimizing the level of effort and reducing the amount of time required to complete the project, the participants from the 2008 study were re-contacted in 2010 to recruit participants. Stumpage surveys were mailed out to businesses that participated in the 2008 survey as setup interviews were not repeated in Nova Scotia. A number of follow-up calls were made to participants that had not returned the stumpage forms. A total of 36 surveys were completed.

Individual product prices were reported in a variety of imperial and metric measures. Reported units were converted to solid cubic meters using the provincial conversion rates provided in Appendix A.



3.0 Results

A total of 2,104 price points were obtained in survey. For the most product groups this provided excellent statistical quality with a coefficient of variance well below 5%.

The average product stumpage rates reported for each province have been combined into a weighted average based on respective provincial harvest levels from private woodlots during the same time period (Table 1).

Table 1: Average Weighted 12 Month Stumpage Rates for Maritimes (New Brunswick, Nova Scotia and Prince Edward Island) (\$/m³).

Type	Product	Species	Weighted Average ²
Softwood	Veneer Logs	White pine	n/a
		Spruce-fir-jack pine	n/a
		Other Softwoods	n/a
	Sawlogs	White pine	\$21.31
		Spruce-fir-jack pine	\$21.75
		Cedar	\$14.76
		Other Softwood	\$15.87
	Studwood & Lathwood	Spruce-fir-jack pine	\$18.57
		Cedar	n/a
		Other Softwood	n/a
	Fencing	Cedar	\$14.68
	Poles & Pilings	Red Pine	n/a
		Jack Pine	n/a
		Cedar	n/a
	Post, Rails & Shingles	Cedar	n/a
	Grade 1 Pulpwood	Spruce-fir-jack pine	\$9.51
		Other Softwood	\$3.15
	Grade 2 Pulpwood	Any Species	\$5.10
Weir Stakes	Any softwood species	n/a	
Biomass	Any softwood species	\$3.86	
Fuelwood	Larch	\$4.55	
Hardwood	Veneer Logs	Sugar Maple	\$65.89
		Yellow Birch	\$65.01
		Poplar	\$24.59
		Other Hardwood	\$31.74
	Select Logs	Sugar Maple	\$38.20
		Yellow Birch	\$37.09
		Other Hardwood	\$37.69
	Sawlogs	Sugar Maple	\$12.60
		Yellow Birch	\$12.46
		Other Hardwood	\$11.58
		Poplar	\$9.54
	Studwood & Lathwood	Poplar	\$4.53
	Pallet Logs	Any hardwood Species	\$10.29
	Pulpwood	Any hardwood Species	\$8.41
	OSB Fibre	Any hardwood Species	n/a
Fuelwood	Any hardwood Species	\$11.18	
	Poplar	\$10.26	
Weir Stakes	Any hardwood Species	n/a	

	Biomass	Any hardwood Species	\$7.26
	Biomass	Tops, branches and Limbs	n/a
	Top Poles	Any Species	n/a
	Ribbons	Any Species	n/a
	Weir brush	Any Species	n/a

¹ - Weighted average based on provincial harvest levels during the study period.

Appendix A: Conversion Factors

All units of measure provided by participants to the surveys were converted to solid meters cubic (m³) in order to standardize the results. The following Tables summarize the various conversion factors which were provided the respective agencies.

Table A.1: New Brunswick Conversion Factors Used in this Study.

Group	Product/Unit	NB Conversion to m ³ (multiply)
General	1 cunit (100 solid cubic ft)	2.832
Softwood	1.22 m cord pulp	2.407
	2.50 m cord pulp	2.115
	2.54 m cord studwood	2.294
	2.84 m cord studwood	2.248
	3.14 m cord studwood	2.211
	1000 bf NB Log Rule	6.1
	1000 bf NB Log Rule (veneer)	5.3
	1000 bf International Rule	5.6
	1000 bf Bangor Rule	5.5
	1 tonne pulp	1.074
	1 tonne studwood	1.163
	1 tonne log	1.251
	1 tonne treelength	1.154
Cedar	1.26 m cord	2.407
	1.92 m cord	2.152
	2.54 m cord	2.039
	1 tonne log / stud / post & rail	1.564
	1 tonne shinglewood	1.408
	1 tonne treelength (non-buttet, 25% cull)	1.173
Hardwood	1.22 m cord pulp	1.982
	2.50 m cord pulp	1.841
	1000 bf NB Log Rule	5.6
	1000 bf NB Log Rule (veneer)	5.3
	1000 bf International Rule	5.2
	1 tonne - all products	0.934
	1 ton (2000 lbs) - all products	0.847
Poplar	1.22 m cord pulp	2.407
	2.50 m cord pulp	2.209
	2.54 m cord lathwood	2.294
	1 tonne - all products	1.018
	1 ton (2000 lbs) - all products	0.924

Table A2-NS: Nova Scotia Conversion Factors Used in this Study.

Group	Product/Unit	Desc. or Length (ft) ¹	NS Conversion to m ³ (multiply)
Softwood	Sawlog mbfm	CTL	5.663
	Sawlog fbm	CTL	0.005663
	Sawlog tonne	TL	1.167
	Studwood cord	8	2.322
	Studwood tonne	8	1.167
	Studwood m3(s)	8	0.641
	Studwood cord	10	2.265
	Studwood tonne	1	1.167
	Studwood m3(s)	10	0.625
	Pulp Fuelwood TL tonne	TL	1.167
	Pulp Fuelwood cord	8	2.209
	Pulp Fuelwood tonne	8	1.167
	Pulp Fuelwood m3(s)	8	0.609
	Pulp Fuelwood tonne	RL	1.167
	Pulp tonne	Chips	1.269
	Fuel tonne	Chips	0.817
Softwood Other	Hemlock tonne	All	1.026
	Larch tonne	All	1.033
	White Pine tonne	All	1.11
Hardwood	Sawlogs mfbm	CTL	5.663
	Sawlogs fbm	CTL	0.005663
	Sawlogs m3	CTL	1
	Sawlogs tonne	CTL	0.963
	Pulp/Fuel tonne	TL	0.963
	Pallet mfbm	8	5.663
	Pallet fbm	8	0.005663
	Pallet cords	8	2.209
	Pallet m3(S)	8	0.609
	Pallet tonne	8	0.963
	Pulp/Fuel cord	8	1.926
	Pulp/Fuel m3(S)	8	0.531
	Pulp/Fuel tonne	8	0.963
	Veneer mfbm		5.663
	Veneer fbm		0.005663
	Veneer tonnes		0.963

¹: CTL = Cut to Length, TL = Tree Length.

Table A.3: PEI: Prince Edward Island Conversion Factors Used in this Study.

Group	Product/Unit	length Feet	PEI Conversion to m3 (multiply)
Softwood	Pulp cord	All	2.2
	Studwood/Sawlogs cord	All	2.4