

## The Southeast North Carolina Stumpage vs Lumber Prices

The chart below compares the price of Stumpage, Lumber Price Index, and the Consumer Price Index (CPI) over a period from 1976 to 2017. The source of the Stumpage prices is obtained from the NC Cooperative Extension Service and the Relative Lumber Prices are obtained from the stock reports listed as Lumber Price Index reported daily. The stumpage prices are those prices of stumpage or standing trees that are generally sold to loggers who harvest the timber delivered to the mills such as saw mills and paper mills. It is the gross amount received by the land owner or tree farmer before any commissions are paid to foresters. It does not include any cost for delivery to the mills.

The Consumer Price Index is published monthly by the US Department of Commerce – Bureau of Labor Statistics. In the SE NC market, the price of stumpage has dropped about 4% each year since 1980 and a more recent trend in tree farming has been to harvest the trees at pulpwood size at about 20 years rather than wait about 40 years to receive just 10% more in inflated unit prices.

You will note that since 1976, the unit price of standing timber has increased in price from about 140 to about 200 in 2017 or about 0.87% over the 41 years. The CPI has increased from about 140 to about 580 or 3.53% over the same 41 year period. This amounts to a net negative yield of 2.66% below the CPI over the 41 year period.

