

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

**Summary Report of
Survey Results and Prices for
Standing Timber Sales from Nova Scotia Private
Woodlots**

for the period

July 1 to December 31, 2004

Prepared By:

Innovative Resource Elements

August 3, 2005

This report is a summary of the results from the stumpage survey that was completed during the winter of 2005. The detailed report is available from Nova Scotia Primary Forest Products Marketing Board (see contact information at the end of this report).

Tables 1,2 and 3 highlight the results of the stumpage survey and covers the period from July 1, 2004 to December 31, 2004 and this is the first of four scheduled surveys that are to be completed over the next 2 years.

The provincial results have been separated into three regions, eastern central and western which are shown in Figure 1.

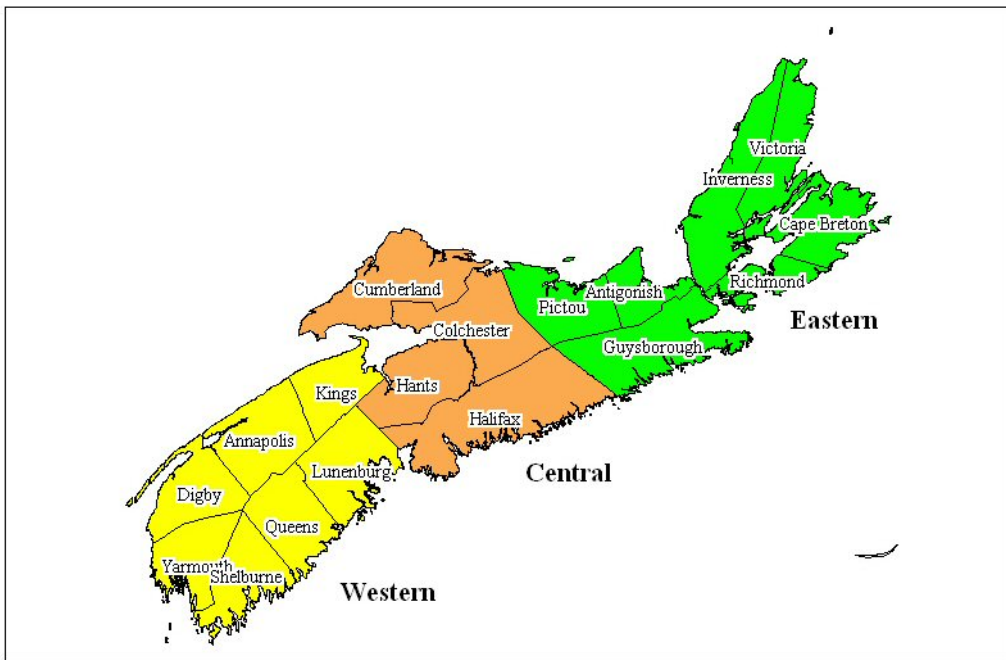


Figure 1: Regions Used to Report Nova Scotia Stumpage Prices.

The tables provide product specific stumpage rates reported for each region. Each product has an average, an upper value and a lower value. The upper and lower values give an indication of the range of survey responses that were reported during the survey (+/- one standard deviation). The tables show modified stumpage rates that were normalized using modifiers that were developed from data obtained during face to face interviews with participants. The modifiers are designed to adjust reported stumpage values if favourable or unfavourable conditions existed for the stumpage transaction reported during the survey.

We have included Regional User Guides (tables 4, 5 and 6) which allow users to convert the regional data to a particular job or woodlot. The following example highlights the steps required to make the necessary adjustments.

A woodlot owner in central Nova Scotia wishes to obtain an estimate of current stumpage values for a white pine stand on his farm woodlot. With a harvest block in mind, a landowner can make the necessary conversions from the regional tables to suit local conditions:

The Regional Stumpage Report for the Central Region (Table 2) shows that the average normalized price for white pine sawlogs is \$15.83/m³. The average value has a 'very good' rating. By referencing the Central Regional Users Guide, the operating condition thresholds can be determined. For this example, assume that the total harvest is expected to yield 350 m³ of wood. The user guide indicates that at job size volumes less than 555 m³, a reduction of 12.1% is reasonable for the region. On the other hand, assume the average diameter at breast height (dbh) of trees in the harvest block are 40 cm which is larger than the threshold value of 36 cm. For this operating condition, the guide indicates that a 17.5% premium may be reasonable.

Therefore:

$$\begin{aligned} & \text{(Sum the negative and positive modifiers)} \quad (-12.1\% + 17.5\%) = + 5.4\% \\ & \text{(Convert the normalized rate)} \quad (\$15.83/\text{m}^3 \times [1 + 0.054]) = \$16.68/\text{m}^3 \end{aligned}$$

The final result is \$16.68/m³ which can be converted to \$/Mfbm by multiplying the result by 5.66 (Appendix C):

$$\text{(Convert \$/m}^3 \text{ to \$/Mfbm)} \quad (\$16.68/\text{m}^3 \times 5.66) = \$94.41/\text{Mfbm}$$

Alternatively, the normalized price is also presented in Mfbm at the right hand side of the table. Simply replace the price/m³ with the \$/Mfbm and the result will not have to be converted:

Therefore:

$$\begin{aligned} & \text{(Sum the negative and positive modifiers)} \quad (-12.1\% + 17.5\%) = + 5.4\% \\ & \text{(Convert the normalized rate)} \quad (\$89.60 \times [1 + 0.054]) = \$94.43/\text{Mfbm} \end{aligned}$$

Products with less than 3 survey responses were too small to calculate upper and lower values and ratings. If data was not reported for a product, values were calculated by deducting regional operating costs from regional product price lists.

This is a summary of the survey findings and anyone can obtain a copy of the final report by contacting the Nova Scotia Primary Forest Products Marketing Board at :

Suite 804, Queen Square
45 Alderney Drive
Dartmouth, Nova Scotia
B2Y 2N6

Phone (902) 424-7598
Fax (902) 424-6965

For information on the use of modifiers, please contact Kirk Schmidt at (902) 922-3607.

Table 1: Eastern Region Stumpage Report
July 1 to December 31, 2004

Products	Values	Normalized Formal Price (\$ / m ³)				Normalized Price (\$ / UNIT)		
		Current Period	Rating	Previous Period	Rating	Current Period	Previous Period	UNIT
Softwood (SPF) Pulpwood (N=29)	SDA	\$13.37				\$31.02		Cord
	Mean	\$10.16	Very Good			\$23.57		Cord
	SDB	\$6.96				\$16.15		Cord
Softwood (SPF) Studwood (N=27)	SDA	\$20.74				\$48.12		Cord
	Mean	\$14.90	Very Good			\$34.57		Cord
	SDB	\$9.06				\$21.02		Cord
Softwood (SP) Sawlog (N=19)	SDA	\$22.27				\$126.05		Mfbm
	Mean	\$16.25	Very Good			\$91.98		Mfbm
	SDB	\$10.23				\$57.90		Mfbm
Softwood (F) Sawlog (N=1)	SDA	n/a				n/a		
	Mean	\$17.24	n/a			\$97.58		Mfbm
	SDB	n/a				n/a		
White Pine (N=0)	SDA	No data				No data		
	Mean	\$10.94*	n/a			\$61.92*		Mfbm
	SDB	No data				No data		
Hemlock / Larch (N=2)	SDA	n/a				n/a		
	Mean	\$11.88	n/a			\$67.24		Mfbm
	SDB	n/a				n/a		
Hardwood Pulp (N=8)	SDA	\$5.59				\$10.79		Cord
	Mean	\$4.57	Very Good			\$8.82		Cord
	SDB	\$3.55				\$6.85		Cord
Hardwood Sawlog (N=6)	SDA	\$32.18				\$182.14		Mfbm
	Mean	\$23.88	Good			\$135.16		Mfbm
	SDB	\$15.57				\$88.13		Mfbm
Hardwood Pallet (N=6)	SDA	9.65				\$18.62		Cord
	Mean	7.48	Good			\$14.44		Cord
	SDB	5.31				\$10.25		Cord
Hardwood Veneer (N=2)	SDA	n/a				n/a		
	Mean	\$34.56	n/a			\$195.61		Mfbm
	SDB	n/a				n/a		
Hardwood Fuelwood (N=9)	SDA	\$7.97				\$15.38		Cord
	Mean	\$5.48	Acceptable			\$10.58		Cord
	SDB	\$2.99				\$5.77		Cord
Softwood SPF #2 Pulp (N=1)	SDA	n/a				n/a		
	Mean	12.93	n/a			\$30.00		Cord
	SDB	n/a				n/a		

RATINGS (R)

Coefficient of Variance	Estimate Quality
CV <= 5%	Excellent
5% < CV <= 10%	Very Good
10% < CV <= 15%	Good
15% < CV <= 20%	Acceptable
20% < CV <= 25%	Poor
CV > 25%	Unreliable

Other	Meaning
N	Sample Size
n/a	Not Applicable
SDA	Standard Deviation Above
SDB	Standard Deviation Below
*	Value Derived from Residual Calculation

Note: Approximately 68.2% of the reported values for each of the products in the table above fell between SDA and SDB.

Table 2: Central Region Stumpage Report
July 1 to Dec 31, 2004

Products	Values	Normalized Formal Price (\$ / m ³)				Normalized Price (\$ / UNIT)		
		Current Period	Rating	Previous Period	Rating	Current Period	Previous Period	UNIT
Softwood (SPF) Pulpwood (N=33)	SDA	\$14.69				\$34.08		Cord
	Mean	\$10.62	Very Good			\$24.64		Cord
	SDB	\$6.55				\$15.20		Cord
Softwood (SPF) Studwood (N=29)	SDA	\$26.10				\$60.55		Cord
	Mean	\$20.52	Very Good			\$47.61		Cord
	SDB	\$14.94				\$34.66		Cord
Softwood (SP) Sawlog (N=29)	SDA	\$30.97				\$175.29		Mfbm
	Mean	\$24.25	Very Good			\$137.26		Mfbm
	SDB	\$17.52				\$99.16		Mfbm
Softwood (F) Sawlog (N=11)	SDA	\$33.00				\$186.78		Mfbm
	Mean	\$24.32	Good			\$137.65		Mfbm
	SDB	\$15.64				\$88.52		Mfbm
White Pine (N=6)	SDA	\$19.49				\$110.31		Mfbm
	Mean	\$15.83	Very Good			\$89.60		Mfbm
	SDB	\$12.17				\$68.88		Mfbm
Hemlock / Larch (N=13)	SDA	\$18.01				\$101.94		Mfbm
	Mean	\$11.35	Acceptable			\$64.24		Mfbm
	SDB	\$4.69				\$26.54		Mfbm
Hardwood Pulp (N=19)	SDA	\$11.45				\$22.10		Cord
	Mean	\$7.06	Good			\$13.63		Cord
	SDB	\$2.67				\$5.15		Cord
Hardwood Sawlog (N=4)	SDA	\$26.68				\$151.01		Mfbm
	Mean	\$21.40	Good			\$121.12		Mfbm
	SDB	\$16.12				\$91.39		Mfbm
Hardwood Pallet (N=1)	SDA	n/a				n/a		
	Mean	\$9.85	n/a			\$19.01		Cord
	SDB	n/a				n/a		
Hardwood Veneer (N=0)	SDA	No Data				No data		
	Mean	\$109.13*	n/a			\$617.68*		Mfbm
	SDB	No Data				No data		
Hardwood Fuelwood (N=9)	SDA	\$9.97				\$19.24		Cord
	Mean	\$7.22	Good			\$13.93		Cord
	SDB	\$4.47				\$8.63		Cord
Softwood SPF #2 Pulp (N=16)	SDA	\$6.06				\$14.06		Cord
	Mean	\$4.40	Very Good			\$10.21		Cord
	SDB	\$2.74				\$6.36		Cord

RATINGS (R)

Coefficient of Variance	Estimate Quality
CV <= 5%	Excellent
5% < CV <= 10%	Very Good
10% < CV <= 15%	Good
15% < CV <= 20%	Acceptable
20% < CV <= 25%	Poor
CV > 25%	Unreliable

Other	Meaning
N	Sample Size
n/a	Not Applicable
SDA	Standard Deviation Above
SDB	Standard Deviation Below
*	Value Derived from Residual Calculation

Note: Approximately 68.2% of the reported values for each of the products in the table above fell between SDA and SDB.

Table 3: Western Region Stumpage Report
July 1 to December 31, 2004

Products	Values	Normalized Formal Price (\$ / m ³)				Normalized Price (\$ / UNIT)		
		Current Period	Rating	Previous Period	Rating	Current Period	Previous Period	UNIT
Softwood (SPF) Pulpwood (N=14)	SDA	\$9.33				\$21.65		Cord
	Mean	\$7.06	Very Good			\$16.38		Cord
	SDB	\$4.79				\$11.11		Cord
Softwood (SPF) Studwood (N=10)	SDA	\$34.58				\$80.22		Cord
	Mean	\$24.00	Good			\$55.68		Cord
	SDB	\$13.43				\$31.16		Cord
Softwood (SP) Sawlog (N=15)	SDA	\$35.89				\$203.14		Mfbm
	Mean	\$29.77	Very Good			\$168.50		Mfbm
	SDB	\$23.65				\$133.86		Mfbm
Softwood (F) Sawlog (N=7)	SDA	\$30.20				\$170.96		Mfbm
	Mean	\$25.25	Very Good			\$142.92		Mfbm
	SDB	\$20.31				\$114.95		Mfbm
White Pine (N=12)	SDA	\$25.79				\$145.97		Mfbm
	Mean	\$20.60	Very Good			\$116.60		Mfbm
	SDB	\$15.41				\$87.22		Mfbm
Hemlock / Larch (N=6)	SDA	\$17.16				\$97.12		Mfbm
	Mean	\$12.86	Good			\$72.79		Mfbm
	SDB	\$8.55				\$48.39		Mfbm
Hardwood Pulp (N=7)	SDA	\$13.41				\$25.88		Cord
	Mean	\$9.01	Acceptable			\$17.39		Cord
	SDB	\$4.60				\$8.88		Cord
Hardwood Sawlog (N=1)	SDA	n/a				n/a		
	Mean	\$29.84	n/a			\$168.89		Mfbm
	SDB	n/a				n/a		
Hardwood Pallet (N=0)	SDA	No Data				No data		
	Mean	No Data	n/a			No data		
	SDB	No Data				No data		
Hardwood Veneer (N=0)	SDA	No Data				No data		
	Mean	\$144.69*	n/a			\$818.94*		Mfbm
	SDB	No Data				No data		
Hardwood Fuelwood (N=4)	SDA	\$10.39				\$20.05		Cord
	Mean	\$8.19	Good			\$15.81		Cord
	SDB	\$5.99				\$11.56		Cord
Softwood SPF #2 Pulp (N=3)	SDA	\$4.64				\$10.76		Cord
	Mean	\$2.88	Unreliable			\$6.68		Cord
	SDB	\$1.12				\$2.60		Cord

RATINGS (R)

Coefficient of Variance	Estimate Quality
CV ≤ 5%	Excellent
5% < CV ≤ 10%	Very Good
10% < CV ≤ 15%	Good
15% < CV ≤ 20%	Acceptable
20% < CV ≤ 25%	Poor
CV > 25%	Unreliable

Other	Meaning
N	Sample Size
n/a	Not Applicable
SDA	Standard Deviation Above
SDB	Standard Deviation Below
*	Value Derived from Residual Calculation

Note: Approximately 68.2% of the reported values for each of the products in the table above fell between SDA and SDB.

Table 4: Eastern Regional User Guide

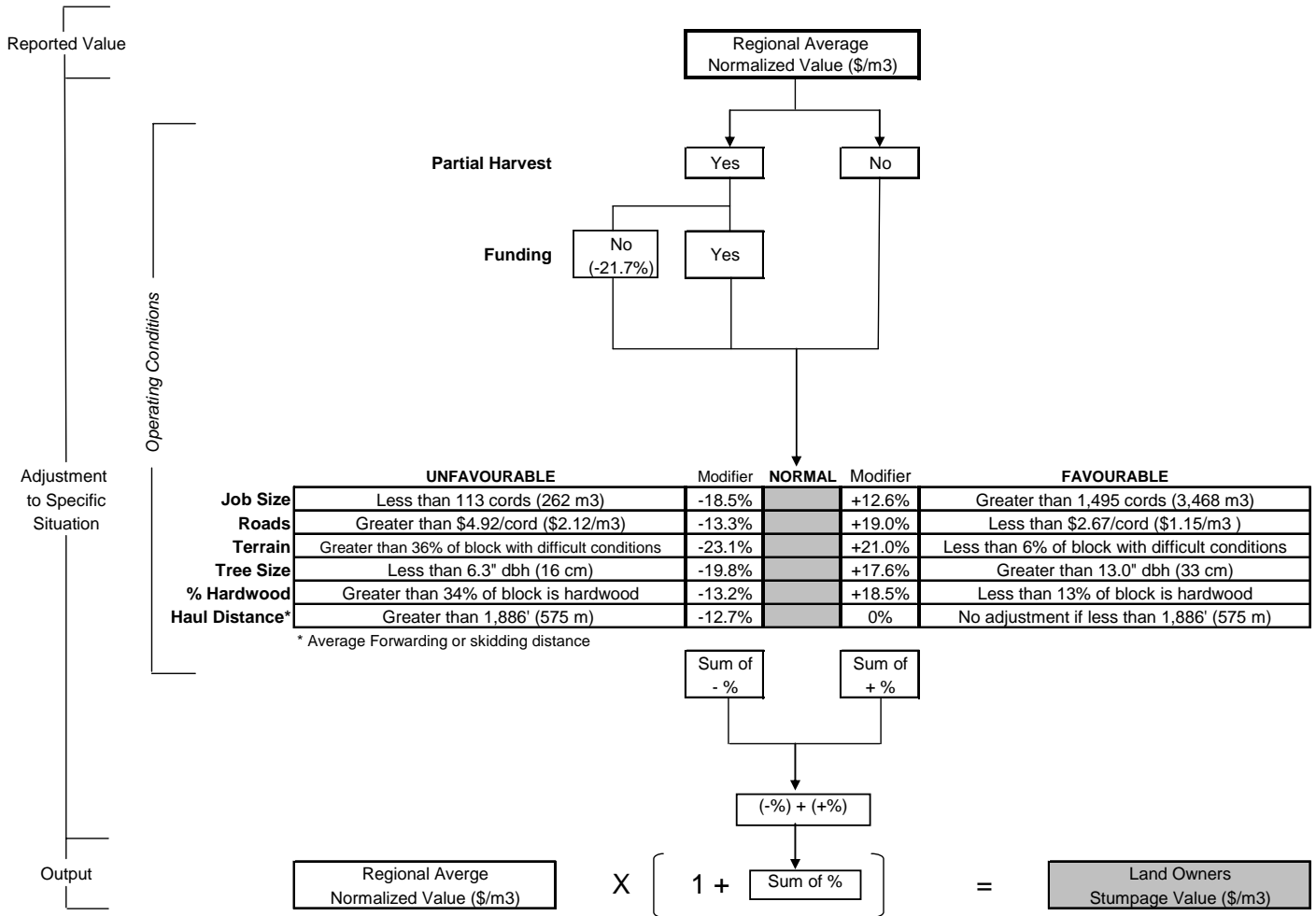
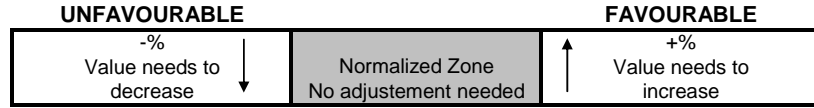


Table 5: Central Regional User Guide

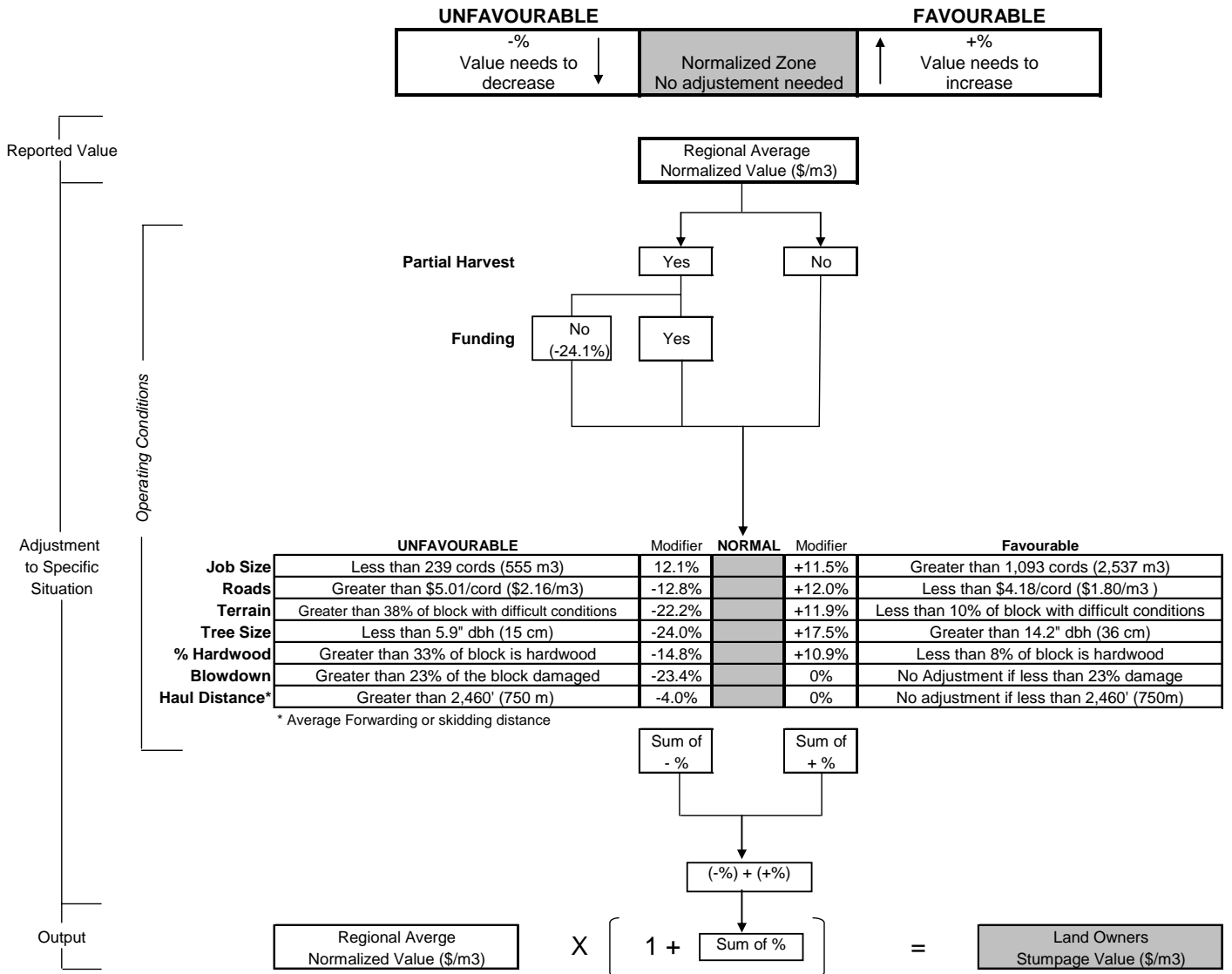


Table 6: Western Regional User Guide

