Summer 2018

BIDWELLS

TIMBER PRICE DATABASE

Bidwells timber price database

Private Sector Sales of Coniferous Timber Throughout Scotland & Northern England - 6 months to 31st March 2018

(Net Return to grower - £'s per m^3 Over Bark Standing)

Local Government Region	Qty of sale m^3 equivalent	Species	Average tree size (m^3)	Working conditions (easy or difficult)	Net total sale proceeds (£)	Price per m^3 OB equivalent (£)	Notes
Dumfries	1,858	SS/OC	0.10	Easy	9,410	5.06	Low quality first thin, predominantly MC
Moray	6,732	SP/LP	0.12	Difficult	55,870	8.30	
Perth & Kinross	10,010	SS/L	0.14	Easy	217,000	21.68	
Stirling	2,750	SS	0.18	Easy	44,450	16.16	
Highland	3,397	SP	0.20	Difficult	50,677	14.92	
Highland	2,992	SP	0.20	Easy	50,590	16.91	
Highland	6,930	SS/LP	0.21	Easy	157,752	22.76	
Borders	550	SS	0.22	Difficult	13,500	24.55	
Highland	5,643	SP/LP	0.23	Easy	94,590	16.76	
Highland	6,270	SS/LP	0.23	Easy	142,728	22.76	
Dumfries	22,000	SS	0.24	Difficult	550,000	25.00	
Argyll & Bute	10,607	SS/L	0.29	Difficult	208,096	19.62	
	11,000	SS	0.29	Easy	494,700	44.97	
Highland	11,245	SS/LP	0.30	Easy	220,612	19.62	
North Lanarkshire	12,100	SS	0.30	Easy	270,690	22.37	
Perth & Kinross	8,800	L/NS	0.30	Difficult	250,000	28.41	
Renfrewshire	2,860	SS	0.30	Easy	102,830	35.95	
South Ayrshire	13,200	SS	0.30	Difficult	555,240	42.06	
Dumfries	4,121	SS	0.30	Easy	190,151	46.15	Long extraction
Dumfries	192	SS	0.32	Easy	2,150	11.19	
Dumfries	1,128	SP/L	0.32	Difficult	20,990	18.61	
South Lanark	2,750	SS	0.32	Easy	127,900	46.51	
Borders	2,200	SS/NS	0.33	Difficult	84,000	38.18	
England - North West	12,400	SS	0.33	Easy	520,474	41.97	
Stirling	3,850	SS/L	0.34	Difficult	123,970	32.20	
	4,400	SS	0.34	Easy	226,680	51.52	
Argyll & Bute	13,200	SS	0.35	Easy	403,200	30.55	
East Ayrshire	5,500	WRC	0.35	Easy	222,000	40.36	
South Lanark	6,050	SS/SP	0.35	Easy	262,185	43.34	
Borders	14,454	SS/NS	0.35	Easy	652,663	45.15	
Dumfries	4,121	SS/L	0.35	Difficult	190,151	46.15	Long extraction
	19,800	SS	0.36	Easy	968,940	48.94	
Borders	14,850	SS/L	0.38	Easy	670,545	45.15	
Aberdeenshire	1,631	SS/LP	0.39	Easy	28,500	17.47	Average form. P70 SS thinned. P80 SS & LP unthinned
Dumfries	115	L	0.40	Difficult	553	4.79	
Borders	2,378	SS/L	0.40	Difficult	39,500	16.61	
Dumfries	961	SS/L	0.40	Easy	23,043	23.97	``
Borders	25,300	SS	0.40	Difficult	960,000	37.94	

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Borders	9,900	SS	0.40	Difficult	380,000	38.38	
England - North West	5,667	SS	0.40	Easy	220,454	38.90	
Dumfries	18,700	SS	0.40	Easy	786,760	42.07	
West Dumbartonshire	4,400	SS/NS	0.40	Difficult	200,000	45.45	
Highland	11,642	SS/LP	0.42	Difficult	219,143	18.82	Very wet site
Borders	13,256	SS	0.42	Easy	666,070	50.25	
Dumfries	18,700	SS	0.43	Easy	925,650	49.50	
Highland	17,380	SS	0.45	Easy	402,780	23.17	
Aberdeenshire	5,257	SS/DF	0.45	Easy	171,215	32.57	
Dumfries	34,100	SS	0.45	Difficult	1,157,230	33.94	
Borders	2,200	SS	0.46	Difficult	94,000	42.73	
England - North West	21,780	SS/LP	0.47	Difficult	768,240	35.27	
Dumfries	2,826	SS/L	0.50	Easy	53,131	18.80	
England - North East	693	SS/NS	0.50	Easy	15,850	22.87	
England - North East	1,265	SS/NS	0.50	Easy	36,895	29.17	
Borders	16,500	SS	0.50	Easy	1,170,000	70.91	
Perth & Kinross	12,188	SS/OC	0.52	Easy	350,682	28.77	
Dumfries	16,500	SS	0.53	Easy	805,050	48.79	
Perth & Kinross	8,316	SS	0.53	Easy	318,276	38.27	Constrained Access
Dumfries	7,150	SS/L	0.54	Easy	371,020	51.89	
Perth & Kinross	9,130	SS	0.56	Difficult	350,343	38.37	
Dumfries	17,028	SS	0.58	Difficult	843,000	49.51	
Borders	27,500	SS	0.58	Easy	1,400,000	50.91	
Dumfries	92	SS	0.60	Easy	1,320	14.40	
Borders	2,970	SS/LP	0.60	Difficult	54,000	18.18	
Dumfries	4,622	SS	0.60	Easy	133,864	28.96	
Dumfries	1,430	SS/L	0.60	Easy	43,253	30.26	
Borders	44,000	SS	0.60	Difficult	1,788,000	40.64	
Dumfries	30,027	SS/L	0.62	Easy	1,598,774	53.25	
Aberdeenshire	10,560	SS/NS	0.65	Easy	298,320	28.25	
Moray	18,920	SP/SS	0.66	Easy	613,900	32.45	
Perth & Kinross	8,983	SS	0.69	Easy	441,394	49.14	
Highland	1,870	SS/NS	0.71	Easy	71,900	38.45	
Perth & Kinross	10,936	SS	0.72	Difficult	108,467	9.92	
Moray	8,360	SS	0.75	Easy	300,000	35.89	Estimated totals from tender
Dumfries	218	SS	0.80	Difficult	6,049	27.73	
Dumfries	14,592	SS	0.84	Easy	760,869	52.14	35% Windblow
Argyll & Bute	11,330	SS	0.91	Easy	541,059	47.75	

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Highland	1,980	SP	1.30	Easy	85,000	42.93	Out turn sale -estimated totals
Highland	4,620	SP	1.40	Easy	176,500	38.20	Estimated from tenders - outturn sale not yet completed
Dumfries	5,748	SS	1.54	Easy	320,000	55.68	
Totals	**741,681**				**£28,254,789**		

Transactions shaded refer to sales of thinnings

Source: Bidwells Research

Since publication of our last report, which looked at standing conifer timber prices achieved in the six months to September 2017, the timber market has undergone perhaps the biggest period of change seen in decades.

Our last commentary (December 2017) stated that there were "current reports of supply shortages and increasing upwards pressure on standing sales values" – this has proved to be something of an understatement as the latest set of results for October 2017 – March 2018 clearly demonstrate.

Returns from 79 transactions totalling over 742,000 cubic metres of coniferous timber, with a value to the grower in excess of £28 Million have been received and indicate (on average) significant price rises over the period. All signals are pointing towards prices having continued to increase since the end of March and there are still considerable supply pressures on timber processors.

It is always difficult to predict the future, given the influence which global demand and exchange rates have on domestic timber values, but the overall macro-economic situation (increasing demand and tightening supplies) suggests no reason to suspect a weakening of prices over the short term.

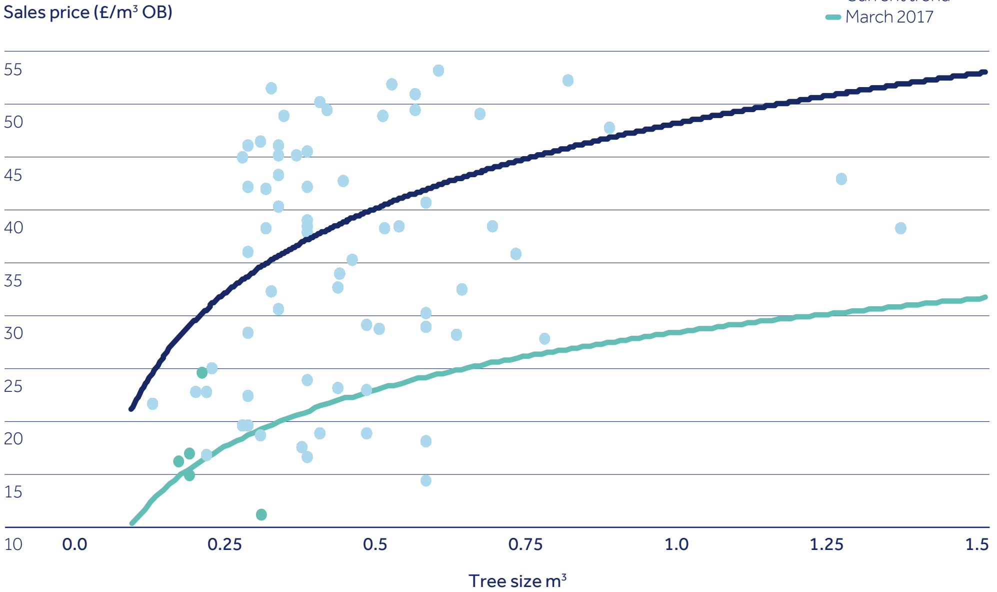
Good news for timber growers then, but possibly less so for many processors, and given the closely linked health dependence of each sector on the other, it can be in no-one's best interests to see unsustainably high prices. The hope is therefore that what we have been seeing is a re-basing of timber values at levels which can be maintained in the long term.

Our thanks again to all who contributed information to allow production of this database and we hope readers derive some interest and benefit from it.

Current trend implied prices

Average tree size		**0.25**	**0.3**	**0.35**	**0.4**	**0.45**	**0.5**	**0.55**	**0.6**	**0.65**	**0.7**	**0.75**
Implied sale price (£/m3 OB)	Mar-18	£31.93	£34.05	£35.84	£37.39	£38.77	£39.99	£41.10	£42.11	£43.04	£43.91	£44.71
	Sep-17	£18.96	£20.70	£22.17	£23.45	£24.57	£25.57	£26.48	£27.31	£28.08	£28.78	£29.44
	% increase	68.4%	64.5%	61.6%	59.5%	57.8%	56.4%	55.2%	54.2%	53.3%	52.5%	51.9%

Private sector sales of conifers
Scotland & Northern England - Six months to 31st March 2018



Source: Bidwells Research

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