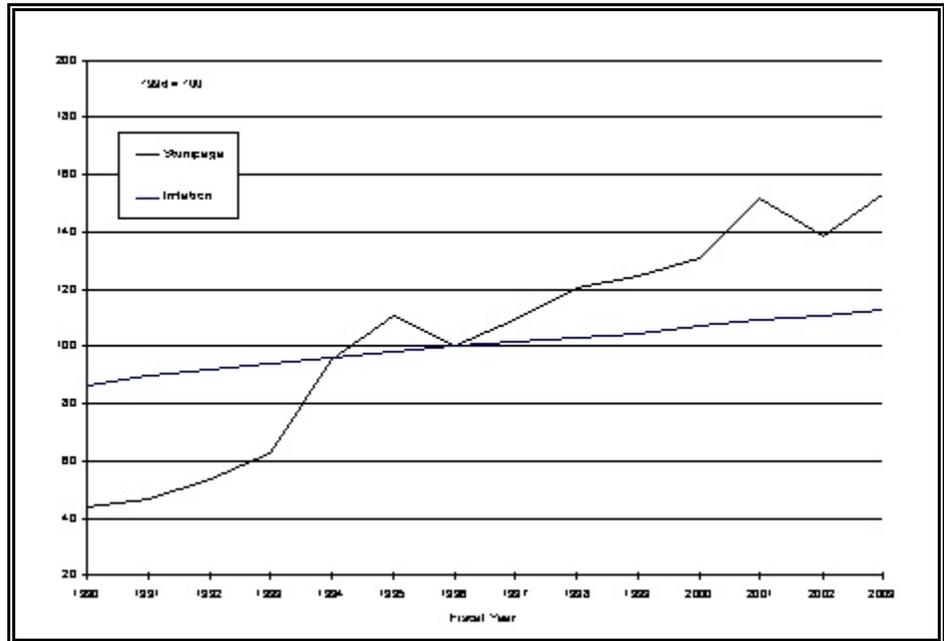


MINNESOTA

2003 Public Stumpage Price Review and Price Index

Index Purpose	Index Methods
<p>The Minnesota Stumpage Price Index was developed to: (1) provide a measure of stumpage price escalation in Minnesota; and (2) to compare stumpage price changes to general price changes (inflation) as measured by the <u>Implicit Price Deflator for Gross Domestic Product</u>, as compiled by the U.S. Department of Commerce, Bureau of Economic Analysis.</p>	<p>The Minnesota Stumpage Price Index is derived from the price data found in Table 2 of this publication. The index is a weighted aggregate index using fixed quantity weights (the Laspeyres Index technique). The fixed quantity weights used are the woods-run volume of stumpage of each species sold from public lands in Minnesota in 2000.</p>

Fiscal Year	Inflation Index	Stumpage Index
1990	86.5	43.8
1991	89.7	46.8
1992	91.8	53.9
1993	94.1	62.7
1994	96.0	95.4
1995	98.1	110.9
1996	100.0	100.0
1997	102.0	109.3
1998	103.2	120.3
1999	104.7	124.6
2000	106.9	131.2
2001	109.4	152.1
2002	110.7	138.3
2003	112.6	152.9



Price Received Method and Purpose
<p>The various reporting agencies have different fiscal years. Some agencies report their data based on timber appraisal estimates, while others report based on actual scale receipts. The reported sales data includes numerous different products and units of measure.</p>
<p>All reported volumes and values were converted to a sawlog and pulpwood basis for inclusion in Table 1. All volumes and values were then converted to cords of woods-run material for inclusion in Table 2. The conversion factors used are: 500 board feet per cord for hardwoods; and, 400 board feet per cord for softwoods.</p>
<p>Table 1 is useful for determining relative volumes of saw material and pulpwood sold during the reporting period, while Table 2 is useful for comparing relative stumpage prices across agencies. The reader should use caution when comparing the prices shown in this report with actual prices received or expected on any specific timber sale. Individual sale prices will vary significantly from the averages shown in this report because of variability in both economic and physical conditions.</p>
<p>For Information about the Minnesota Stumpage Price Review and Price Index, contact: Timber Sales Supervisor, Division of Forestry, Minnesota Department of Natural Resources, Box 44 DNR Building, 500 Lafayette Road, St. Paul, Minnesota 55155-4044; phone (651) 296-4498. dhf042704</p>