

# Quality report:

## Timber Price Indices

Last updated:

November 2021

Next update due:

November 2026

### Introduction

Timber Price Indices is published twice a year and comprises three price indices, the Coniferous Standing Sales Price Index, the Softwood Sawlog Price Index and the Small Roundwood Price Index.

The data are obtained from administrative records of timber sales by Forestry England, Forestry and Land Scotland, and Natural Resources Wales<sup>1</sup>.

### Coniferous Standing Sales Price Index

The Coniferous Standing Sales Price Index monitors the changes in the average price received per cubic metre overbark standing for timber that Forestry England/ Forestry and Land Scotland/ Natural Resources Wales sold standing, where the purchaser is responsible for harvesting. The index is expressed in real terms (2021 prices), and is adjusted for timber size mix using the Fisher method with 5 yearly chain-linking. Data points represent overlapping 12 month periods.

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<sup>1</sup> Sales by Natural Resources Wales from April 2017 are currently excluded from the indices.

### Softwood Sawlog Price Index

The Softwood Sawlog Price Index monitors the changes in the average price received per cubic metre overbark felled of sawlogs (roundwood with a top diameter of 14 cm or more, likely to be sawn into planks or boards) sold at roadside by Forestry England/ Forestry and Land Scotland/ Natural Resources Wales. The index is expressed in real terms (2021 prices), with data points representing distinct 6 month periods.

Two new sub-indices were introduced in the November 2021 edition of Timber Price Indices, covering Spruces and Other Conifers.

### Small Roundwood Price Index

The Small Roundwood Price Index monitors the changes in the average price received per cubic metre overbark felled of small roundwood (roundwood with a top diameter of 7-14 cm) sold at roadside by Forestry England/ Forestry and Land Scotland/ Natural Resources Wales (although comparable data for Wales are not currently available). The index was introduced in the November 2021 edition of Timber Price Indices and is expressed in real terms (2021 prices), with data points representing distinct 6 month periods.

## Relevance

Timber Price Indices is used to monitor trends in timber prices and to provide information on the state of the UK timber industry. The indices are also used by the UK timber industry in contract reviews. The underlying prices on coniferous standing sales are used in the estimation of timber values in the UK Environmental Accounts (produced by the Office for National Statistics) and in other work on natural capital accounts.

Harvesting and Marketing Officers (from Forestry England, Forestry and Land Scotland, and Natural Resources Wales) and the Expert Group on Timber and Trade

Statistics (comprising representatives from the UK timber industry, the Forestry Commission and Devolved Administrations) are consulted as required to ensure that Timber Price Indices:

- Remain relevant to users;
- Make best use of the available data; and
- Take account of relevant factors that may influence differences in price.

## Accuracy

A number of checks are performed on the data to ensure accuracy. These include checks against data for previous years, raising queries with data providers as required.

The indices include sales by long term contract, where the volume of roundwood covered by the contract is sold over a period of more than one year. To take account of changes in price over the term of the contract, price adjustments are made periodically, as part of the contract. At present, price adjustments are not fully accounted for in the indices.

## Timeliness and punctuality

Indices are published around 6 weeks after the end of the reference period:

- Data to end March are published in mid-May and
- Data to end September are published in mid-November.

Summary results for data to end March are also published in Forestry Statistics at end September, 6 months after the end of the reference period.

## Accessibility and clarity

Timber Price Indices is available on the Forest Research website at [www.forestresearch.gov.uk/tools-and-resources/statistics/statistics-by-](http://www.forestresearch.gov.uk/tools-and-resources/statistics/statistics-by-)

[topic/timber-statistics/timber-price-indices/](https://www.forestry.gov.uk/topic/timber-statistics/timber-price-indices/) and includes background information on data sources and methodology. The underlying data used to construct the indices, along with longer time series of the indices, are also available to download from the Forest Research website in Excel and ODS formats.

Summary results for the period to end March are also published in Forestry Statistics, available from the Forest Research website at [www.forestry.gov.uk/tools-and-resources/statistics/forestry-statistics/](https://www.forestry.gov.uk/tools-and-resources/statistics/forestry-statistics/).

## Comparability

The methodology used to calculate the Coniferous Standing Sales Price Index was reviewed in 2008, with a new method (Fisher with 5 yearly chain-linking) introduced from the November 2008 publication. A paper describing the change in methodology is available from the Forest Research website at [www.forestry.gov.uk/tools-and-resources/statistics/about-our-statistics/methodology-and-outputs/](https://www.forestry.gov.uk/tools-and-resources/statistics/about-our-statistics/methodology-and-outputs/).

## Coherence

These are the only official statistics published for roundwood timber prices in the UK. So, although the indices are limited to sales by Forestry England, Forestry and Land Scotland, and Natural Resources Wales, they are sometimes used as indicators of price trends for other UK softwood (standing sales and sawlogs) and for UK small roundwood. In recent years, softwood has accounted for more than 90% of all timber harvested in Great Britain, and Forestry England/ Forestry and Land Scotland/ Natural Resources Wales has accounted for around 40% to 50% of all softwood sold.

Some private sector data are held by businesses that handle private sector sales, but these are not yet publicly available as an index.

Log and pulpwood prices for a range of other countries are included in the UN Economic Commission for Europe timber price database at [www.unece.org/forests/output/prices.html](http://www.unece.org/forests/output/prices.html).

The data for the indices are obtained from the administrative systems used by Forestry England, by Forestry & Land Scotland and by Natural Resources Wales.

There was a change in the system used by Natural Resources Wales in early 2017 that has impacted on the data for Wales that is used in the indices. For standing sales, data from April 2017 have been excluded from the release, as a breakdown by size category is not yet available. For sawlog sales, data from April 2017 had been included in the November 2017 to November 2020 editions of Timber Price Indices; however an inconsistency identified in early 2021 has resulted in the exclusion of all data for Natural Resources Wales from April 2017. It is intended to include data for Wales in the indices once comparable figures on a consistent basis are available.

Further information on the data sources used in Timber Price Indices are available in the Quality Assurance of Administrative Data report on timber sales data, available at [www.forestresearch.gov.uk/tools-and-resources/statistics/statistics-by-topic/timber-statistics/timber-price-indices/](http://www.forestresearch.gov.uk/tools-and-resources/statistics/statistics-by-topic/timber-statistics/timber-price-indices/).

## Revisions

Our Revisions Policy, available at <https://www.forestresearch.gov.uk/tools-and-resources/statistics/about-our-statistics/code-of-practice/quality-of-official-statistics/>, outlines our general approach to revisions.

In the release Timber Price Indices, nominal timber prices and index values in nominal terms are not normally revised, but may be amended to reflect late changes to the timber sales data held on the live management information systems or to correct errors. All real timber prices and index values in real terms are subject to revision when the GDP deflator is revised by the Office for National

Statistics. The coniferous standing sales price index may be subject to revision if the base year is changed or there is another change in methodology; in such cases, the change will be pre-announced and the figures published using both methods for a transition period. No further revisions are normally made before publication in other outputs.

Updates to the base year (for both indices) and 5-year chain linking (for the Coniferous Standing Sales Price Index) were made in November 2011, November 2016 and November 2021. These will next be updated in November 2026.

Information on significant revisions made to published statistics is available in the Annex.

## Annex: Significant revisions to published statistics

In 2021, checks on the data for the softwood sawlog price index uncovered a inconsistencies in the underlying data for Wales. As a result, sawlog sales by Natural Resources Wales have been removed from the index from April 2017. Information on the effect of this change are provided in the Annex of Timber Price Indices: Data to March 2021.

In 2017, checks on the data for the softwood sawlog price index uncovered a number of inconsistencies in the coverage of the underlying data. The previous index has been replaced in the First Release Timber Price Indices: Data to March 2017 with a revised index of sales since October 2011. The revised index covered open market sales only and all lengths of log. Information on the effect of this change are provided in the Annex of Timber Price Indices: Data to March 2017.

A further change was made to the softwood sawlog index to include negotiated sales for the release of Timber Price Indices: Data to September 2017. The Annex of this release provides further details on the effect of this additional change.

In 2004 the Timber Price Indices publication was extended to include a sawlog index. The index was initially thought to represent overlapping years, similar to the standing sales index; it was therefore presented, and real terms values calculated, on that basis. In 2006 it was discovered that the index actually covered separate 6-month periods; adjusting to this basis affected the presentation and resulted in small revisions to the values in real terms, but did not affect the values in nominal terms.

A revised version of the First Release on Timber Price Indices to March 2005 was issued in June 2005, to correct a spreadsheet error in converting to real terms using the GDP deflator.