Forest Research

Forestry Statistics 2024

Chapter 8: Finance & Prices

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The Research Agency of the

Forestry Commission

Forest Research is the Research Agency of the Forestry Commission and is the leading UK organisation engaged in forestry and tree related research.

The Agency aims to support and enhance forestry and its role in sustainable development by providing innovative, high quality scientific research, data, technical support and consultancy services.

Contents

Introduction

This chapter contains statistics on:

- timber prices;
- gross value added (GVA);
- Government expenditure on forestry;
- and grant schemes.

Estimates for England, Wales, Scotland and Northern Ireland are included, where possible, in addition to UK or Great Britain totals. Further information on the data sources and methodology used to compile the figures is provided in Chapter 10: Sources and Methodology.

Most of the statistics presented in this chapter have been previously released. Some of the figures for earlier years have been revised since Forestry Statistics 2023. For further details on revisions, see Chapter 10: Sources and Methodology.

A copy of all Finance & Prices tables can be accessed in spreadsheet format from our Time Series page.

Key findings

The main findings are:

- The Coniferous Standing Sales Price Index for Great Britain was 9% lower in real terms in the year to March 2024, compared with the previous year.
- The Softwood Sawlog Price Index for Great Britain was 1% lower in real terms in the 6 months to March 2024, compared with the corresponding period of the previous year.
- The Small Roundwood Price Index for Great Britain was 2% lower in real terms in the 6 months to March 2024, compared with the corresponding period of the previous year.
- Gross value added (GVA) in primary wood processing (sawmilling, panels and pulp and paper) was £2.42 billion in the UK in 2022. GVA in forestry was £0.68 billion.
- Net expenditure on public forests by Forestry England, Forestry and Land Scotland and Natural Resources Wales totalled £76.7 million in 2023/24.
- £110.6 million was paid in grants for forestry by the Forestry Commission, Welsh Government, Scottish Forestry and Forest Service Northern Ireland in 2023/24.

8.1 Timber prices

Timber Price Indices are based on sales by Forestry England, Forestry and Land Scotland and Natural Resources Wales and are released every 6 months.

The Coniferous Standing Sales Price Index monitors changes in the average price received per cubic metre for timber that Forestry England, Forestry and Land Scotland and Natural Resources Wales sold standing, where the purchaser is responsible for harvesting.

The Softwood Sawlog Price Index monitors changes in the average price received per cubic metre of sawlogs (roundwood with a top diameter of 14 cm or more, destined to be sawn into planks or boards) sold at roadside by Forestry England, Forestry and Land Scotland and Natural Resources Wales.

The Small Roundwood Price Index monitors changes in the average price received per cubic metre for roundwood that is smaller in diameter than logs. This includes chipwood, pulpwood and woodfuel. It is based on sales at roadside and currently only covers sales by Forestry England, Forestry and Land Scotland and Natural Resource Wales.

Standing timber, sawlogs and small roundwood are distinct markets and may show different price movements. The data are averages for historic periods, so may be slow to show any true turning points. Prices can be influenced by a range of factors, including imbalances between supply and demand.

These indices are used to monitor trends in timber prices and to provide information on the state of the UK timber industry. They are also used by the UK timber industry, alongside other economic indicators, in contract reviews.

There is little other information currently available on wood prices before primary processing and no price index is available for broadleaves. Prices for outputs of primary wood processing are collected by the Office for National Statistics (ONS) in the Producer Price Indices (PPI).

Table 8.1 presents the Coniferous Standing Sales, Softwood Sawlog and Small Roundwood price indices for Great Britain to March 2024.

The Coniferous Standing Sales price index for Great Britain was 9.4% lower in real terms (3.1% lower in nominal terms) in the year to March 2024, compared with the previous year (Table 8.1). The Softwood Sawlog price index was 1.3% lower in real terms (4.6% higher in nominal terms) in the 6 months to March 2024, compared with the corresponding period of the previous year. The Small Roundwood price index was 2.5% lower in real terms (3.3% higher in nominal terms) in the 6 months to March 2024, compared with the corresponding period in the previous year.

Table 8.1 Coniferous Standing Sales, Sawlog and Small Roundwood price indices[1,6], Great Britain, 2015 to 2024

index (period to September 2021 = 100)

Year ending 31 March	Standing sales index in nominal terms[2,4]	Standing sales index in real terms[2]	Sawlog index in nominal terms[4]	Sawlog index in real terms[5]	Small roundwood index in nominal terms[4]	Small roundwood index in real terms[5]
2015	47.5	53.9	47.0	53.1	[x]	[x]
2016	43.0	48.5	44.2	49.4	83.3	93.1
2017	48.0	52.9	50.4	55.0	76.7	83.7
2018	62.6	68.0	65.2	70.1	89.8	96.6
2019	80.9	86.1	82.4	86.8	103.4	108.9
2020	70.2	73.0	69.8	71.8	109.6	112.7
2021	75.8	74.7	85.3	84.6	92.2	91.4
2022	105.1	104.5	96.8	94.8	98.4	96.4
2023	76.8	71.5	67.4	61.3	102.4	93.1
2024	74.4	64.8	70.5	60.5	105.8	90.8

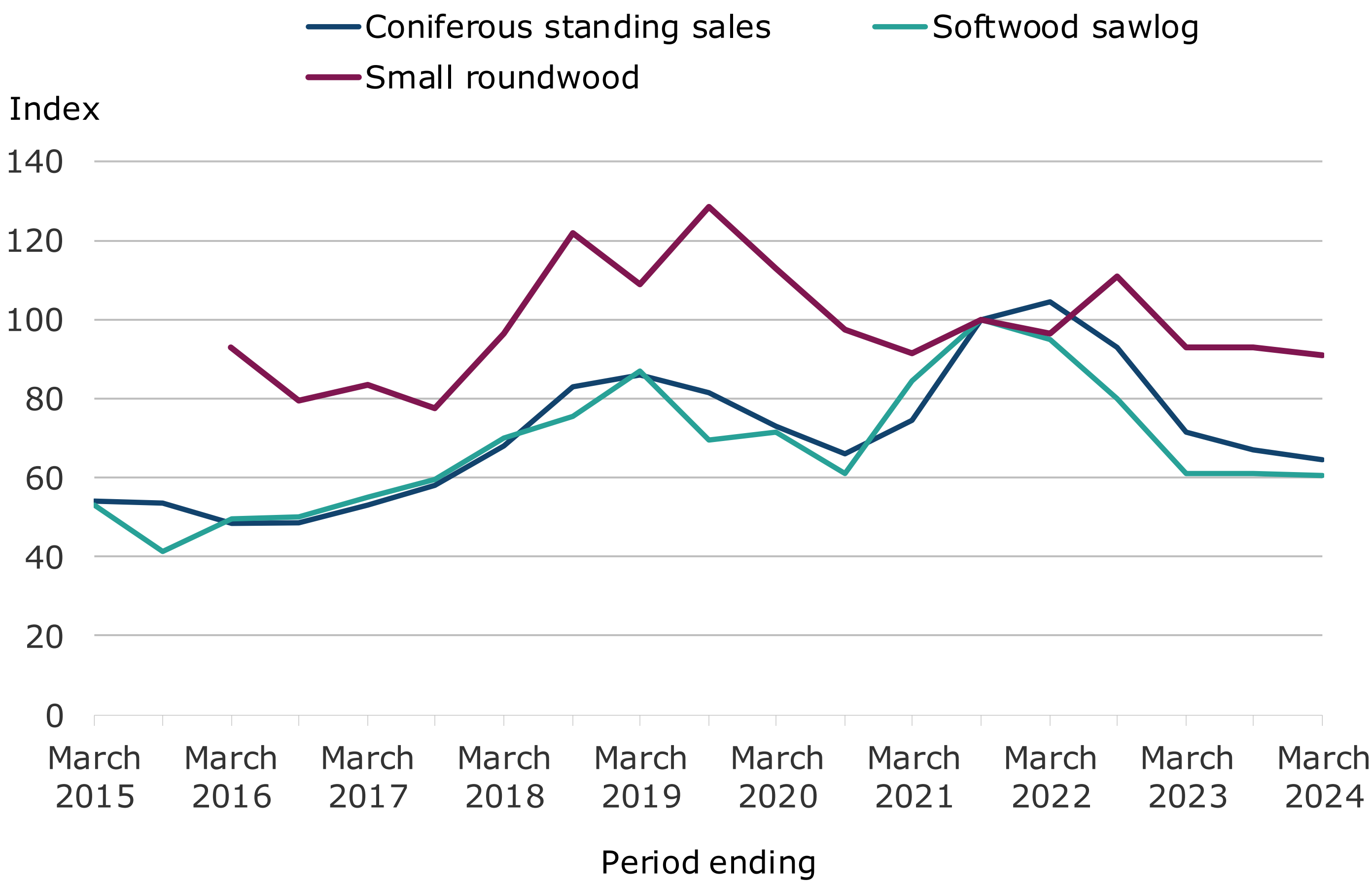
Source: Timber Price Indices: data to March 2024 (Forest Research).

Notes:

1. The price indices are constructed from information on sales by Forestry England, Forestry and Land Scotland and Natural Resources Wales only.
2. The standing sales index uses the Fisher method with 5-year chain linking to take account of changes in the size mix over time and covers sales of conifers in the previous 12 months.
3. The softwood sawlog index and the small roundwood index cover sales in the previous 6 months.
4. Nominal prices are the actual prices at that point in time.

5. Real terms values are obtained by using the GDP deflator to convert to "constant prices" (in this case prices in 2021). This allows trends in timber prices to be tracked without the influence of inflation.
6. Excludes sales by Natural Resources Wales between April 2017 and March 2021 for Coniferous Standing and Sawlog Price Indices, and between April 2017 and September 2021 for Small Roundwood Index.
7. Standing sales prices in Scotland exclude any premature felling and/or components directly linked to retained product agreements on Long Term Contracts.
8. The index excludes sawlogs put up for sale that were not sold. There was an unusually high number of unsold lots in Scotland in the six months to September 2015.
9. Sawlog prices in Scotland in the six months to September 2020 include a number of sales of logs felled under Statutory Plant Health Notice; this has reduced the overall average log price.
10. [x] denotes data not available.

Figure 8.1 Coniferous standing sales, sawlog and small roundwood price indices in real terms[1], Great Britain, 2015 to 2024



Source: [Timber Price Indices: data to March 2024 (Forest Research)](#).

Notes:

1. See Table 8.1 for more information.

8.2 Gross value added

Gross value added (GVA) measures the contribution to the economy of each individual producer, industry or sector in the UK. It is the difference between the value of outputs and the value of intermediate consumption, so mainly comprises employment costs and profits.

The Annual Business Survey (ABS) carried out by the Office for National Statistics (ONS) includes statistics on gross value added for different industries, classified using the UK Standard Industrial Classification (SIC 2007). Further information on the ABS is available from the ONS website.

Table 8.2 shows that, in 2022, GVA in primary wood processing (sawmilling, panels and pulp and paper) was reported to be £2.42 billion and GVA in forestry was £0.68 billion.

Table 8.2 Gross value added in forestry and wood processing[1,2,3], UK, 2018 to 2022

£ million

Standard Industrial Classification (SIC)[1]	2018[2]	2019	2020	2021	2022
Forestry	**669**	**724**	**866**	**738**	**681**
Wood Products	3,690	3,683	3,573	4,916	5,096
Sawmilling	580	496	456	782	701
Panels	453	379	396	526	639
Secondary products	2,657	2,808	2,721	3,608	3,756
Pulp, paper and paper products	3,378	3,598	3,558	4,012	4,753
Pulp and paper	841	687	642	739	1,075
Articles of paper and paperboard	2,537	2,911	2,916	3,273	3,678
Total wood processing	**7,068**	**7,281**	**7,131**	**8,928**	**9,849**
Total primary wood processing[4]	**1,874**	**1,562**	**1,494**	**2,047**	**2,415**

Source: Annual Business Survey (Office for National Statistics, June 2023).

Notes:

1. Categories are based on the UK Standard Industrial Classification (SIC 2007) categories. Further details on the SIC codes used are provided in Chapter 10: Sources and Methodology.
2. The 2018 figure for panels was suppressed in the figures released by ONS, so the figure in this table covers both panels and the manufacture of assembled parquet floors (SIC 16.22). Panels accounted for at least 99% of the total of SIC codes 16.21 (panels) and 16.22 in 2019, 2020 and 2021.
3. Excludes other wood-using industries.
4. Primary wood processing covers sawmilling, panels and pulp and paper.

8.3 Government expenditure on public forests

Table 8.3 provides information on expenditure and income from public forests by Forestry England, Natural Resources Wales and Forestry and Land Scotland. This covers expenditure and income (shown as negative expenditure) for land that is owned or managed by Forestry England, Natural Resources Wales and Forestry and Land Scotland. Other expenditure by the Forestry Commission, the Welsh Government and Scottish Forestry is covered in Table 8.5.

Net expenditure on public forests by Forestry England, Natural Resources Wales and Forestry and Land Scotland in 2023/24 totalled £76.7 million. This comprised £50.2 million in England, £6.4 million in Wales and £20.1 million in Scotland.

Recreation, conservation and heritage accounted for £97.1 million of the total expenditure in 2023/24, harvesting and haulage for £49.7 million and other expenditure on public forests for £174.5 million.

Timber sales generated a total income of £163.1 million in 2023/24. Recreation, conservation and heritage accounted for a further £40.7 million and other income from public forests for an additional £40.8 million.

Table 8.3a Funding public forests - expenditure[1,2,3], Great Britain, 2019/20 to 2023/24

£ million

Country and type[4]	2019/20[5]	2020/21	2021/22	2022/23	2023/24
Great Britain	**226.5**	**241.1**	**258.3**	**300.3**	**321.3**
Harvesting and haulage	40.8	42.8	46.8	47.2	49.7
Recreation, etc.	78.7	69.1	72.8	86.1	97.1
Other	107	129.2	138.7	167.0	174.5
England	**110.6**	**101.7**	**106.4**	**131.8**	**142.6**
Harvesting and haulage	16.2	15.6	15.6	18.2	19.1
Recreation, etc.	57.8	51.9	53.2	66.0	75.2
Other	36.6	34.2	37.6	47.6	48.3
Wales	**[x]**	**32.8**	**36.0**	**38.4**	**40.7**
Harvesting and haulage	[x]	4.8	5.0	5.3	4.8
Recreation, etc.	[x]	1.8	2.0	2.5	2.8
Other	[x]	26.2	29.0	30.6	33.1
Scotland	**115.9**	**106.6**	**115.9**	**130.1**	**138.0**
Harvesting and haulage	24.6	22.4	26.2	23.7	25.8
Recreation, etc.	20.9	15.4	17.6	17.6	19.1
Other	70.4	68.8	72.1	88.8	93.1

See Table 8.3c for information on sources and notes.

Table 8.3b Funding public forests – income[1,2,3], Great Britain, 2019/20 to 2023/24

£ million

Country and type[4]	2019/20[5]	2020/21	2021/22	2022/23	2023/24
Great Britain	**200.3**	**227.0**	**255.4**	**234.6**	**244.6**
Timber	136.2	168.2	188.8	158.8	163.1
Recreation, etc.	32.0	27.0	33.2	34.9	40.7
Other	32.1	31.8	33.4	40.9	40.8
England	**88.2**	**83.8**	**94.0**	**88.4**	**92.4**
Timber	50.8	52.7	56.2	48.5	49.0
Recreation, etc.	27.9	22.6	28.8	31.0	34.3
Other	9.5	8.5	9.0	8.9	9.1
Wales	**[x]**	**31.7**	**39.0**	**37.5**	**34.3**
Timber	[x]	30.4	37.1	33.8	32.0
Recreation, etc.	[x]	0.7	1.2	1.2	1.3
Other	[x]	0.6	0.7	2.5	1.0
Scotland	**112.1**	**111.5**	**122.4**	**108.7**	**117.9**
Timber	85.4	85.1	95.5	76.5	82.1
Recreation, etc.	4.1	3.7	3.2	2.7	5.1
Other	22.6	22.7	23.7	29.5	30.7

See Table 8.3c for information on sources and notes.

Table 8.3c Funding public forests - net expenditure[1,2,3,6], Great Britain, 2019/20 to 2023/24

£ million

Country	2019/20[5]	2020/21	2021/22	2022/23	2023/24
Great Britain	**26.2**	**14.1**	**2.8**	**65.7**	**76.7**
England	22.4	17.9	12.4	43.4	50.2
Wales	[x]	1.0	-3.1	0.8	6.4
Scotland	3.8	-4.9	-6.5	21.4	20.1

Source: Forestry England, Natural Resources Wales and Forestry and Land Scotland.

Notes:

1. Expenditure and income by Forestry England, Natural Resources Wales, and Forestry and Land Scotland only. Excludes expenditure incurred by other departments. Figures for Wales on a comparable basis are currently only available for 2020/21 to 2023/24, so Great Britain totals for earlier years relate to England and Scotland only.
2. Excludes notional cost of capital and any surplus or deficit on sale of properties.
3. Excludes gain on revaluation of biological assets and value of timber felled.
4. Recreation, etc. includes conservation and heritage.
5. [x] denotes data not available.
6. Net expenditure is calculated as expenditure minus income. Negative expenditure is a positive income.

8.4 Other government expenditure on forestry

Table 8.4 provides information on other expenditure (excluding public forests) by the Forestry Commission, the Welsh Government, Natural Resources Wales and Scottish Forestry. Wales figures for previous years on a comparable basis are not available.

Expenditure on land that is owned or managed by Forestry England, Natural Resources Wales and Forestry and Land Scotland is covered in Table 8.3.

In addition to expenditure on public forests, the Forestry Commission, Natural Resources Wales and Scottish Forestry spent £129.5 million on other activities in Great Britain in 2023/24.

A further £24.4 million of funding was provided to Forest Research by the Department for Environment, Food & Rural Affairs (Defra), the Forestry Commission and the Devolved Administrations.

Table 8.4 Other government expenditure on forestry[1,2], Great Britain, 2019/20 to 2023/24

£ million

Standard Industrial Classification (SIC)[3,4]	2019/20	2020/21	2021/22	2022/23	2023/24
Great Britain	**92.1**	**72.9**	**97.2**	**110.9**	**125.9**
Grants and partnership funding	66.5	43.2	66.9	73.9	111.0
Policy, regulation and administration	14.1	16.3	15.5	19.1	13.5
Research - GB Funded	11.6	13.4	14.8	17.9	24.4
England	**6.5**	**5.3**	**15.0**	**27.3**	**46.7**
Grants and partnership funding	5.8	3.3	12.9	24.7	41.7
Policy, regulation and administration	0.7	2.0	2.1	2.6	5.0
Wales	**2.4**	**3.7**	**4.3**	**6.4**	**7.3**
Grants and partnership funding	1.1	1.1	1.1	1.1	2.6
Policy, regulation and administration	1.3	2.6	3.2	5.3	4.7
Scotland	**71.7**	**50.5**	**63.1**	**59.3**	**75.5**
Grants and partnership funding	59.6	38.8	52.9	48.1	66.7
Policy, regulation and administration	12.1	11.7	10.2	11.2	8.8

Source: Forestry Commission, Welsh Government, Natural Resources Wales, Scottish Forestry and Forest Research.

Notes:

1. Expenditure by the Forestry Commission, Scottish Forestry, Welsh Government and Natural Resources Wales only. Excludes expenditure incurred by other departments.
2. Excludes miscellaneous income.
3. EU co-financing not subtracted from grant expenditure. In England, authority for the Rural Development Programme for England (RDPE) grant scheme rests with Defra. In Scotland, the drop in grants and partnership funding between 2019/20 and 2020/21 predominately reflects a change to accruals resulting from an improvement in accounting procedures.
4. The estimates for Great Britain funded research relate to core funding of Forest Research only and excludes work by Forest Research that is funded by external organisations.

8.5 Grant schemes

Private sector woodland in Great Britain is supported by a range of grants for creating new woodland and managing existing woodland. The Woodland Grant Scheme (WGS) was introduced in 1988, at the same time as tax relief was phased out. In Scotland, WGS was replaced by the Scottish Forestry Grant Scheme (SFGS) in 2003, by Rural Development Contracts in 2006 and has now been replaced by the Forestry Grant Scheme. The English Woodland Grant Scheme (EWGS) was launched in July 2005 and has now been replaced by Countryside Stewardship, and other grants from programmes such as the Woodland Carbon Fund (WCF), the HS2 Woodland Fund or the Nature for Climate Fund (NCF). Better Woodlands for Wales (BWW) was launched in December 2005 and was later replaced by Glastir (administered by the Welsh Government). In 2022, Glastir was then replaced by the Woodland Creation Grants, also administered by the Welsh Government.

The following tables provide information relating to planting and grants:

- Table 1.13a and 1.13b for total areas of new planting;
- Table 1.14a and 1.14b for total areas of grant-funded restocking;
- Table 8.4 for expenditure by the Forestry Commission, Scottish Forestry, Natural Resources Wales and Welsh Government on grants and partnership funding;
- Table 8.5 (below) for grant expenditure by the Forestry Commission (including grant expenditure managed by the Forestry Commission on behalf of Defra), Scottish Forestry, the Welsh Government and the Forest Service Northern Ireland.

Table 8.5 presents information on grant money paid in 2014/15 to 2023/24. At a country level, £59.9 million was paid in grants in Scotland in 2023/24 (a 45% increase from the previous year), £42.6 million was paid in England (a 42% increase from the previous year), £5.3 million in Wales (a 43% decrease from the previous year) and £2.8 million in Northern Ireland (a 10% decrease from the previous year).

Table 8.5 Grant money paid, UK, 2014/15 to 2023/24

£ million

Year	England[1]	Wales[2]	Scotland[3]	Northern Ireland[4]	UK
2014/15	32.4	1.8	39.2	1.4	74.8
2015/16	23.0	3.6	27.5	1.0	55.1
2016/17	23.8	3.3	30.4	1.5	59.0
2017/18	13.5	4.7	37.9	1.6	57.6
2018/19	20.5	5.9	50.2	1.7	78.3
2019/20	22.4	6.0	52.2	1.6	82.2
2020/21	21.6	9.3	31.7	1.8	64.4
2021/22	14.8	6.1	45.8	2.8	69.5
2022/23	30.0	9.3	41.2	3.1	83.6
2023/24	42.6	5.3	59.9	2.8	110.6

Source: Forestry Commission, Welsh Government, Scottish Forestry and Forest Service Northern Ireland.

Notes:

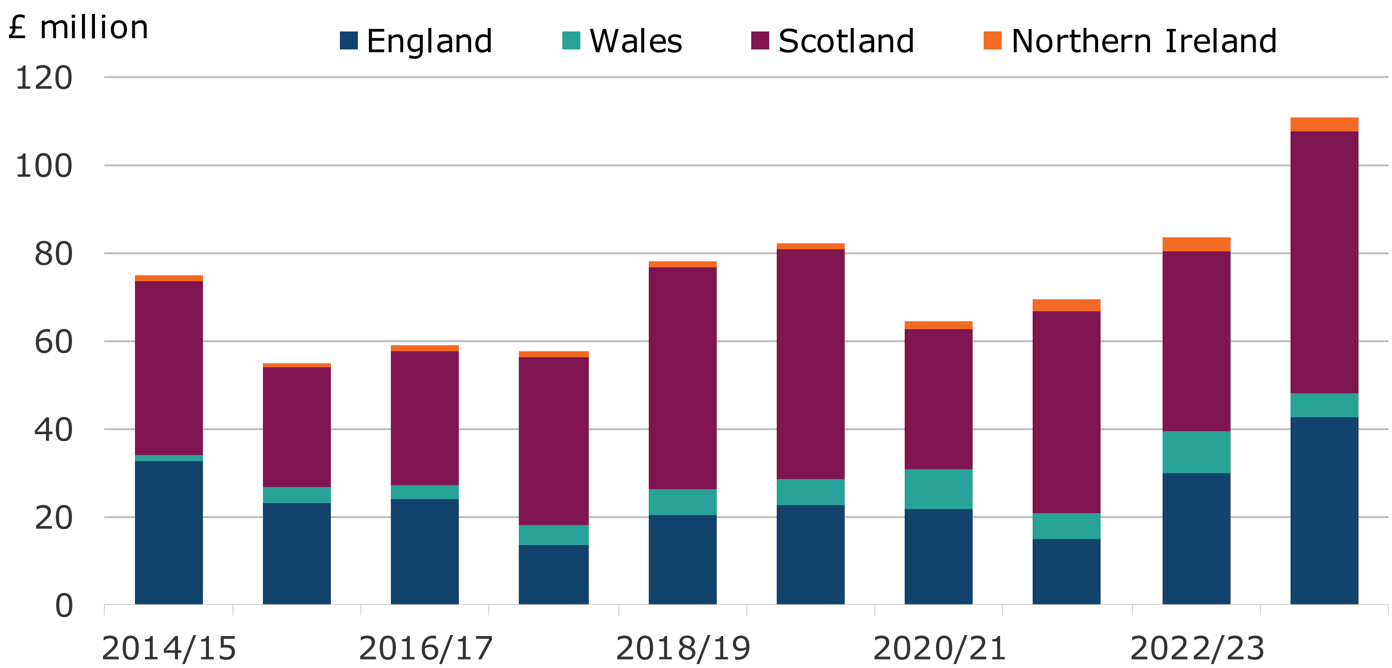
1. England includes grant scheme expenditure managed by the Forestry Commission on behalf of Defra. 2022/23 and 2023/24 include grant money from the Nature for Climate Fund (NCF) programme.
2. Wales relates to grants paid by the Welsh Government.
3. Scotland includes grants paid under the Forestry Grant Scheme and legacy schemes (including Rural Development Contracts). The drop in grants paid between 2019/20 and 2020/21

predominately reflects a change to accruals resulting from an improvement in accounting procedures.

4. Northern Ireland includes grant paid under the Forestry Grant Scheme and legacy schemes.

The total grant money paid in Great Britain has fluctuated over recent years, with levels often dipping around the times that new grant schemes are introduced, followed by a sharp recovery.

Figure 8.2 Grant money paid, UK, 2014/15 to 2023/24



Source: Forestry Commission, Welsh Government, Scottish Forestry and Forest Service Northern Ireland.

Notes:

1. England includes grant scheme expenditure managed by the Forestry Commission on behalf of Defra. 2022/23 and 2023/24 include grant money from the Nature for Climate Fund (NCF) programme.

2. Wales relates to grants paid by the Welsh Government.
3. Scotland includes grants paid under the Forestry Grant Scheme and legacy schemes (including Rural Development Contracts). The drop in grants paid between 2019/20 and 2020/21 predominately reflects a change to accruals resulting from an improvement in accounting procedures.
4. Northern Ireland includes grant paid under the Forestry Grant Scheme and legacy schemes.

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