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UGA Logging Cost Index: A Measure of Southern US Timber Harvesting Costs

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We conducted interviews of a select group of harvesting contractors across the US South to gather a detailed breakdown of logging costs in 2011. Labor, fuel, depreciation and repair costs were the largest components, with labor and depreciation varying most between individual contractors. Based on these data we developed a logging cost index which can be updated quarterly using publicly-available data. Calculated backwards with historic data, the UGA Logging Cost Index aligned well with previous logging cost measures. Over the past two years, the UGA Logging Cost Index has predicted an annual increase in per ton logging costs of roughly 2%. We are currently interviewing logging contractors to validate the predicted changes in costs with additional accounting data. A timely, accurate indicator of changes in logging costs establishes a baseline against which logging contractors can compare their own costs and provides buyers and sellers of timber a reference for shifts in cut and haul rates.