



Timber Valuation Template

**Unlocking the True Economic Value
of Your Timber Resources**



Grade Timber

Illinois (Serving all of Illinois)

Version 1.0

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Disclaimer: This template is for educational and planning purposes only. It aims to inform you about basic timber valuation principles, but estimates should always be verified by certified professionals to account for variables like current market conditions, timber quality, and accessibility. Grade Timber assumes no liability for decisions based solely on this resource.



Welcome to Your Timber Valuation Template

Valuing timber involves more than just counting trees—it's about translating volume into dollars by considering market prices, quality grades, and deductions for factors like defects or transportation. This workbook educates on stumpage prices (the value of standing timber), which vary by species, size, and location in Illinois.

You'll learn how high-value hardwoods like black walnut can command premium rates, while understanding risks like market volatility from supply chains or economic shifts. By using this template, you promote informed, sustainable decisions that balance profit with forest health, ensuring long-term productivity and environmental benefits like soil conservation and habitat preservation.

Key Educational Benefits:

- ✓ **Build market awareness:** Learn how factors like grade (veneer vs. lumber) influence value.
- ✓ **Enhance negotiation skills:** Explore scenarios to avoid underselling or overcommitting resources.
- ✓ **Support sustainability:** Valuations help plan selective harvests that maintain growth rates.
- ✓ **Prepare for collaboration:** Share your estimates with experts for refined appraisals.



Preparation Checklist

Accurate valuation starts with solid preparation. This checklist explains why each step is essential for reliable results, helping you gather data that reflects real-world economics. Mark each item as completed.

Step	Task Description	Why It Matters	Complete	Note
1.	Compile timber volume data from inventories (e.g., using our Timber Volume Count Template) or professional cruises.	Volume is the foundation of valuation; inaccurate inputs lead to flawed projections, affecting financial planning.		
2.	Research current Illinois stumpage prices via sources like university extensions or market reports (e.g., for oak or pine).	Prices fluctuate seasonally and regionally; up-to-date data ensures estimates align with local buyer offers.		
3.	Assess property factors: Note accessibility (e.g., roads), terrain, and proximity to mills.	These influence deductions; poor access can reduce value by 10-20% due to higher logging costs.		
4.	Identify timber quality: Grade trees by defects, form, and market class (e.g., prime, select).	Quality grading educates on value drivers; premium grades boost returns, while defects teach about health management.		
5.	Gather tools: Calculator, spreadsheet software, notepad, and access to market data apps or websites.	Efficient tools streamline calculations, reducing errors in complex scenarios like mixed-species stands.		
6.	Review Illinois-specific regulations, such as timber buyer licensing or tax implications.	Compliance avoids penalties and informs net value after fees, promoting ethical practices.		
7.	Set goals: Decide if valuing for sale, insurance, or management to tailor your approach.	Clear objectives guide focus, whether on quick estimates or detailed scenarios for long-term strategy.		



Educational Tip: Stumpage prices in Illinois average \$200-600 per thousand board feet for hardwoods, but vary by region—central areas may differ from southern due to mill proximity. Update data quarterly for accuracy.

Data Input Checklist

Inputting data systematically builds an educational understanding of how individual tree attributes contribute to overall value. This step highlights Illinois trends, like demand for walnut veneer. Prioritize accuracy: Overestimate quality and you risk disappointment; underestimate and miss opportunities. Follow these steps to organize inputs that feed into valuations.

Step	Task Description	Why It Matters	Complete	Note
1.	List species and volumes: Group by type (e.g., hardwoods/softwoods) and size classes.	Species drive value; e.g., black walnut often exceeds \$1,000/MBF, educating on selective harvesting benefits.		
2.	Enter quality grades: Assign based on defects (e.g., rot-free = prime) and form.	Grades can double value; this teaches inspection skills for ongoing forest monitoring.		
3.	Note deductions: Factor in accessibility, defects, or market adjustments (e.g., -15% for steep terrain).	Deductions reflect real costs, linking ecology (e.g., soil erosion risks) to economics.		
4.	Input market prices: Use low, average, high ranges from recent Illinois reports.	Ranges provide scenarios, illustrating volatility and the need for diversified management.		
5.	Tally additional costs: Include estimates for transportation, logging, or taxes.	Net value is key; this educates on full-cycle economics beyond gross estimates.		
6.	Document sources: Record where prices or grades come from for traceability.	Sources ensure reliability, fostering habits of evidence-based decision-making.		
7.	Review for completeness: Check for missing data in all categories.	Comprehensive inputs yield robust valuations, reducing surprises in sales or plans.		



Data Input Template

Use this table to log key details. This educates by connecting inventory to value—photocopy for multiple stands or species.

Species/Group	Volume (bd ft)*	Quality Grade (Prime/Select/Utility)	Defects/ Deductions (%)	Market Price Range (\$/MBF: Low/Avg/ High)	Notes
e.g., Red Oak	5,000	Select	10% (minor rot)	300/400/500	Centra IL avg.

*Calculate volume on Page 4 using formulas.



Example Entry: Black Walnut | 2,000 | Prime | 5% (branch scars) | 800/1,000/1,200 | High demand veneer.



Educational Pro Tip: Use spreadsheets like Excel to automate inputs; apps like Timber Price Reports can provide real-time Illinois data for dynamic updates.

Calculation Checklist

Calculations turn data into insights, educating on how multipliers like grade affect outcomes. This demystifies valuation: Gross value minus deductions equals net worth. Use conservative estimates to avoid overoptimism, considering Illinois' variable markets influenced by exports or weather.

Step	Task Description	Why It Matters	Complete	Note
1.	Multiply volume by price: Calculate for each species using low/avg/high ranges.	This yields scenarios, teaching risk assessment in fluctuating markets.		
2.	Apply deductions: Subtract percentages for defects, access, or costs.	Adjustments ensure realism, linking site management to financial outcomes.		
3.	Sum totals: Aggregate across species for property-wide valuation.	Totals reveal overall potential, highlighting diversification benefits.		
4.	Generate scenarios: Compute low, average, high based on price ranges.	Scenarios empower negotiations, educating on market sensitivity.		
5.	Factor in Illinois specifics: Add adjustments for transport (e.g., \$50/MBF) or taxes.	Regional factors like mill distance affect net value, promoting local awareness.		
6.	Compare with benchmarks: Reference average Illinois values for validation.	Benchmarks contextualize your data, identifying outliers for further review.		
7.	Document assumptions: Note price sources or deduction rationales.	Transparency supports learning and professional consultations.		



Valuation Calculation Formulas and Table

Grasp these basics: Value = Volume × Price × (1 - Deductions). MBF = thousand board feet.



- **Gross Value:** $V = (\text{Volume in MBF}) \times (\text{Stumpage Price } \$/\text{MBF})$.
- **Net Value:** Net = Gross × (1 - Deduction %/100).
- **Scenario Example:** For ranges, calculate three: Low = Volume × Low Price; etc.

Simplified Illinois Price Lookup (example averages; update with current data):

Species	Low (\$\$ /MBF)	Avg (\$\$/MBF)	High (\$/MBF)
Red Oak	250	350	450
White Oak	300	400	500
Black Walnut	700	900	1,100
Hickory	200	300	400
Pine	100	150	200

Worked Example: 5 MBF Red Oak, Select grade, 10% deduction: Gross Avg = $5 \times 350 = \$1,750$; Net = $\$1,750 \times 0.9 = \$1,575$.

For full property:
Sum nets across species.



Educational Tools Recommendation: Embed formulas in Excel for instant updates, or use online calculators with Illinois-specific data for advanced modeling.



Summary Checklist

Consolidate your valuation to reinforce learning: Review scenarios to grasp your timber's economic role in sustainable forestry. This ensures harvests align with growth, preserving Illinois' diverse woodlands.

Step	Task Description	Why It Matters	Complete	Note
1.	Tally net values by species (e.g., Oak: \$10,000 avg).	Breakdowns educate on high-value assets, guiding targeted improvements.		
2.	Compare scenarios: Note low/avg/high totals for risk planning.	Scenarios highlight volatility, teaching adaptive strategies.		
3.	Assess overall sustainability: Ensure value supports non-depleting harvests.	Balances profit with ecology, preventing long-term loss.		
4.	Plan actions: Decide on sales, management, or further appraisals.	Informed plans enhance outcomes, integrating valuation with goals.		
5.	Archive data: Store for future comparisons or tax purposes.	Records track market trends, illustrating economic cycles.		

Total Valuation Summary Template

Summarize here for a comprehensive economic overview.

Species Group	Volume (MBF)	Net Value Range (\$: Low/Avg/High)	Notes
Hardwoods			
Softwoods			
Other			
Grand Total			





Next Steps and Resources

- ✓ **Consult Professionals:** Seek expert appraisals to refine your estimates and explore options.
- ✓ **Educational Resources:**
 - Illinois Department of Natural Resources: Timber price reports and guidelines (dnr.illinois.gov).
 - University of Illinois Extension: Forestry valuation workshops and tools.
 - Apps: Stumpage Price Calculators or Forest Economics models.
- ✓ **Sustainability Insight:** Aim for harvests under 50% of annual growth to sustain value—selective methods protect biodiversity and future income.

Thank you for using this educational template from Grade Timber. For questions or to deepen your knowledge, contact us.

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