

What is stumpage?

Stumpage is the amount a buyer will pay the forest owner for each grade of log recovered after harvest from the standing trees. It's usually quoted as dollars per green tonne. The purchaser is responsible for all planning, roads, harvesting and trucking the forest products to a processing plant. The forest owner is not usually responsible for any costs for the harvesting operation, except for a few minor regulatory fees and levies triggered by the Forest practices Plan.

Stumpage is influenced by:

- Market opportunities at the time
- Volume and area to be harvested
- The log grade
- Access and harvesting challenges
- Cartage distance to the processor

Even for agreements based on stumpages, there can be variations as to how payments are made:

- Standard stumpage agreement – payment will be at regular intervals based on weighbridge records
- Lump sum agreement – can include options for additional quantities of wood
- Advance payments agreement – offered as a proportion of the estimated total payment with a final reconciliation when the operation has been completed

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