



Market for robinia pole wood in 2008

(reference date 3 March 2008)

Based on a limited market survey among regular sellers of robinia wood we have been able to get an understanding of the price developments for robinia pile wood. In addition we looked at the development of the price of pile wood based on known historical data. The prices give an indication; the trade price in particular is always subject to negotiation, and in some years there may be more demand for specific sizes of timber, which also affects the price.

Table 1 – Indicative prices of robinia pole wood in 2008

	8-10 cm, 1.60 (€/ea)	10-12 cm, 1.80 (€/ea)
Retail price (average)	4.60	7.59
Quoted trade prices	3.10	5.20

Table 2 – Indicative prices of robinia wood over a period of 10 years

	2000	2002	2004	2005	2007	2008
Average price per post 10-12, 1.80\2.00	-	3.40	4.14	3.96	6.85	7.59
Retail						
Trade	1.82	-		3.05	-	5.20

¹ Indicative timber prices. The amounts have not been corrected/indexed

Supply remains relatively low compared to the demand

Robinia posts are not available at every timber merchant in the Netherlands. There are very few companies that have a broad product range and sufficient stock. According to the companies the relatively low supply levels are still the result of the slow and cumbersome character of the Eastern European timber trade; as a result only some companies have succeeded in arranging a steady supply (see appendix for addresses).

However, the demand continues to increase because the quality of the timber is being recognised and because growing numbers of buyers are looking for untreated posts.

Market potential

Interviews with sellers show that the market for robinia is still growing. The broader availability of alternatives, particularly chestnut, has not really affected robinia, because the market apparently still has a large need for untreated timber.

Certified timbers

The certification demanded most frequently is FSC. The demand for FSC-certified timber comes mainly from governments and organisations that have committed themselves to buying FSC only. The various companies themselves do not consider FSC to be useful or desirable. The supply of FSC timber is generally sufficient, but the prices are not market prices and as such this is not an interesting timber to



purchase. It is only (government) authorities that do not seem to consider the high price a major problem. Compared to 2002 the added cost for FSC-certified robinia is lower: +10-15% in 2007 compared to +50-60% in 2002. Expectations are that the supply of PEFC will also increase, in part because in the near future the authorities will be aiming to purchase 75-100 % of their timber from sustainable sources and will probably no longer select only FSC. In the countries of origin (such as Hungary) this will not be a problem.

For comparison: price development of sawn robinia wood

Table – History of robinia wood prices over a 10-year period

	1997	1998	1999	2001	2002	2004	2007
Price of sawn timber (€/m ³) ¹	635.-	680.-	500.-	635.-	700.-	610.-	750.-
Price of finger-jointed and laminated (€/m ³) ²	/	1,180.-	1,610.-	1,610.-	1,770.-	1,860.-	/

¹ Indicative timber prices for retail and hydraulic engineering grade taken together. The amounts have not been corrected/indexed

² The amounts have not been corrected/indexed.

The prices for sawn timber appear to have dropped slightly over the years 2002-2004, after an increase in the years 1999-2002. After 2004 we see the start of a price increase. With this trend robinia is following the overall trend in timber prices. A large number of companies are expecting considerable price increases in the near future. **For 2008 this is around 10% for robinia.**

Opinions differ when it comes to the area of supply and demand. Companies that sell robinia on a regular basis indicate that the demand for hydraulic engineering grade robinia is still increasing, whereas companies that only sell robinia on request indicate that the demand has remained the same. Certainly robinia is increasingly specified in tenders. On a net basis the demand for furniture grade robinia appears to have remained at the same level. Some companies are experiencing an increased demand, whereas others are seeing a reduction in the demand. The demand for robinia for outdoor furniture, playground equipment and building cladding is still increasing. The companies that sell robinia on a regular basis are considering the supply as increasingly less of a problem. These companies have often been purchasing their timber directly from long-term partners in Eastern Europe, or they only need small quantities.

The interviewees do not consider the quality of the purchased timber to be any better or worse than in previous years.