Forecasting Short-Term Timber Prices with Univariate ARIMA Models

Abstract

by

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In this paper, we conduct timber price forecasts with univariate autoregressive-integrated-moving-average, or ARIMA, models employing the standard Box-Jenkins modeling strategy. Using quarterly price series from Timber Mart-South, we find that most of the selected pine pulpwood and sawtimber markets can be evaluated using ARIMA models, and that short-term forecasts, especially those of one-lead forecasts, are fairly accurate. We believe that forecasting future prices could aid timber producers and consumers alike in timing harvests, reducing uncertainty, and enhancing efficiency.

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