



MCES Timber Price Report

Agriculture Economics Department
Extension Forestry Department

P. O. Box 5446
Mississippi State, MS 39762

November/December, 1990

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

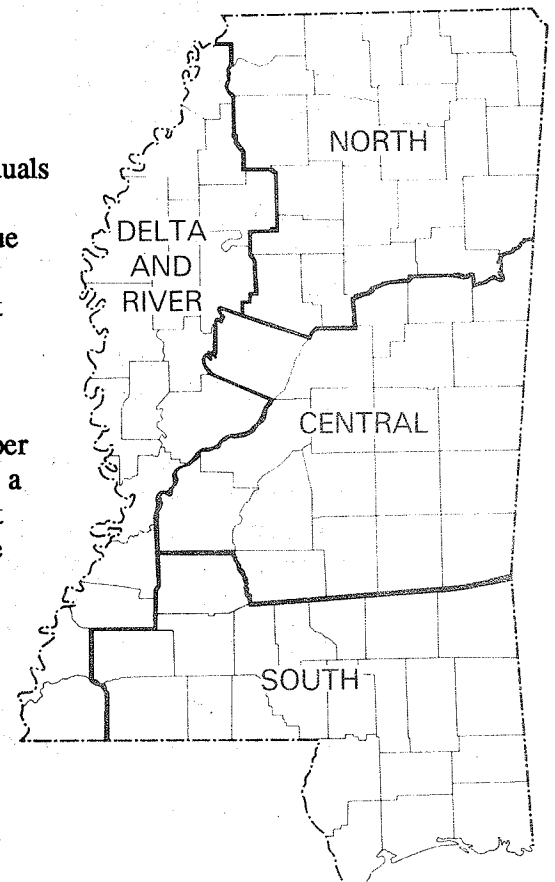
The MCES Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four market regions that reflect distinct timber markets within the state (see map) and average prices for common forest products are listed. These values are compiled by polling cooperators from forest industry, public agencies, consulting foresters and landowners.

2. HOW TO USE THIS REPORT.

This report is intended to give a profile of timber prices in Mississippi.

Values given are offered as a guide to help individuals assess the fair-market value of their timber. The average price for a region should **NOT** be applied as the exact value for a particular timber tract. The best way for private landowners to obtain the highest price for a particular tract is to use competitive bidding. These prices, however, do reflect current timber market activity in each region.

Certain factors may cause a particular tract of timber to be valued higher or lower. For example, a tract that has a high timber volume per acre and can be logged during wet weather may bring a price per unit higher than the average reported here. On the other hand, a tract with less volume at great distance from the buyer's mill may bring less. Additional factors that affect timber values are timber quality, tract size, type of product to be made from the timber, access to the tract and many others. These values are a good price reference for landowners who wish to market timber, but individuals are advised to have their timber evaluated by a professional forester before making a timber sale.



2

3. **TIMBER MARKET COMMENTS**

Sawtimber

For months timber buyers have commented that stumpage prices were too high compared to lumber prices (both pine and hardwood). Buyers have also speculated that stumpage prices would move lower as a result. In November/December, these forecasts began to ring true in some areas of the state.

In south Mississippi, pine sawtimber stumpage prices remained firm, while prices in central and north Mississippi moved lower. Chip-n-saw prices remained generally steady and hardwood sawtimber stumpage prices declined, statewide. Both hardwood and pine mills generally had large log inventories on hand due to excellent logging conditions throughout the fall. Most hardwood mills reported being full of logs. Many had quit buying logs or had cut back on delivered purchases. Some buyers complained that stumpage prices were too high and they were "staying on the sidelines for a while." Some mills took only a few days off during Christmas, but several took extra down time during the holidays due to slow lumber markets. (Many sawmills normally take the week between Christmas and New Year's Day as holidays).

The hardwood lumber market was reported by some mills as "dead." Though November/December is usually a slow time of year in the lumber business, some mills reported that actual lumber prices being paid were not up to the prices being reported in market journals. It seems that lumber buyers are emptying their inventories and making only select purchases as the market dictates. Hence, the sawmills are carrying most of the lumber inventories. Many reporters remarked that low housing starts, Middle East uncertainty, and oversupply of lumber were combining to make the market "very soft."

On the positive side, one hardwood mill reporter commented that his firm was seeing an increase in orders for #1 common and FAS red oak lumber in late December. This may be a good sign since mills have been reporting difficulties in selling upper grades of red oak since about late summer.

Some delivered log prices for selected hardwood species in the central reporting district were: ash-\$275/MBF and white oak-\$225/MBF.

Most pine mills reported big log inventories and several were not taking logs. A few pine mills have shut down—hopefully temporarily—due to low pine lumber prices. However, some reporters indicated bid levels will still have to be strong to purchase stumpage, especially in south Mississippi. Standing pine sawtimber prices in the Southwest averaged \$200/MBF and Southeast prices averaged \$215/MBF. Delivered pine sawtimber prices in the Southwest averaged \$238/MBF, compared to \$269/MBF in the Southeast.

When asked about southern pine beetle activity, most reporters commented that there was very little activity, though some reported Ips beetles to be a problem at times.

Most reporters commented that a "low to fair" number of timber sales were being offered.

Pulpwood

Pine pulpwood was reported as moving fairly well, while several reporters commented that hardwood pulpwood was "hard to get rid of." Prices for pulpwood stumpage were generally a bit higher but demand was slow. This situation may change as the rainy season progresses.

Other Comments

This issue contains graphics showing average sawtimber stumpage prices during the past twelve months.

Spread the word! If you have a friend who owns forestland, tell him or her about the *MCES Timber Price Report*. Many landowners are not aware of this timber price reference, so help educate your fellow landowners. Anyone can receive the report by contacting their county Extension agent or Extension forester.

MCES TIMBER PRICE REPORT
November/December 1998
DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER¹

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	116-218	164	165-237	198	147-272	215	167-230	188
Chip-n-saw pine	-	39*	-	35	35-50	41	-	-
Poles (pine)	-	-	-	-	277-362	306	-	-
Mixed hardwood sawtimber ²	60-100	82	70-120	82	51-95	76	62-95	74
Oak sawtimber	100-150	125	110-160	139	100-216	121	95-110	105
Soft hardwood sawtimber ³	-	-	-	-	77-100	83	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	8-20	13	8-19	13	7-24	14.25	10-15	12.25
Hardwood pulpwood	4-10	6	4-8	5.50	6-12	8.25	4-8	5.50

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	220-255	241	220-290	257	235-278	256	-	-
Chip-n-saw pine	-	68*	57-70	63.50	62-71	66	-	-
Poles (pine)	-	-	-	-	-	38/T	-	-
Mixed hardwood sawtimber ²	175-200	185	125-200	168	173-190	180	95-160	141
Oak sawtimber	-	-	230-250	243	-	-	165-275	235
Other hardwood sawtimber	-	-	-	-	-	-	160-275**	-
Pine pulpwood	39-54	45	38-55	46	36-39	37.50	-	50*
Hardwood pulpwood	33-42	37	30-45	37	30-35	32.50	-	38*

¹Prices reported are for timber market transactions during the two-month period listed, sawtimber and standing pole prices in \$/MBF Doyle, chip-n-saw and pulpwood prices in \$/cord, delivered pine poles in \$/ton.

²"Mixed Hardwoods" are mostly: Low-grade Oak, Beech, Cottonwood, Willow, Elm, Gums, Locust, Hackberry, Magnolia, Pecan, Hickory, Sycamore, Tupelo and Birch.

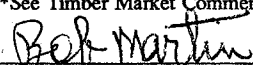
³"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.

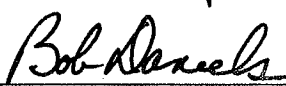
⁴"Rare Hardwoods" are mostly: Walnut, Cherry, Royal Paulownia, Persimmon, some species and grades of Cypress, certain prime grades of Cherrybark and White Oaks.

⁵Delivered prices are values given at the sawmill or pulpwood yard gate.

*Only one price reported.

**See Timber Market Comments.


Bob Martin
Extension Economist
(601) 325-2515


Bob Daniels
Extension Forester
(601) 325-3150