



MCES Timber Price Report

Agriculture Economics Department
Extension Forestry Department

Box 9681
Mississippi State, MS 39762

July/August 1993

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

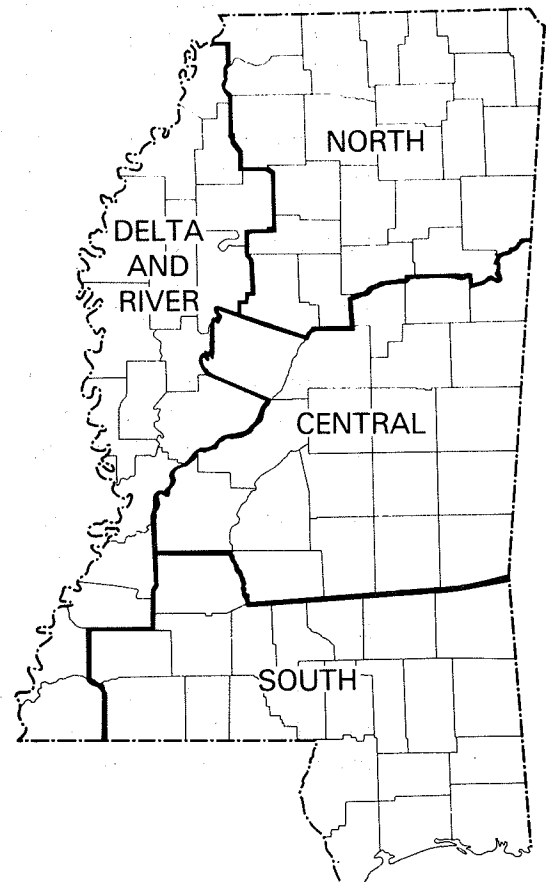
The MCES Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four 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.



3. TIMBER MARKET COMMENTS

Sawtimber

Weather played a role in logging activity during July and August. Generally, logging conditions have been good throughout the state, but some areas of south Mississippi had heavy rains that affected harvesting operations. The Midwest flooding caused Mississippi River levels to be higher than usual for this time of year. River islands and inward lowlands were covered with water preventing logging in many of those areas.

The pine lumber market has remained steady with some increases in 2x4's while the "wides" have been lower and less active. This has puzzled some mill managers. Several mentioned that the lumber market has been very unpredictable this year. One reporter commented that the "market has been as erratic this year as I've ever seen."

Stumpage prices have held steady this summer, but some reporters indicated that there are fewer sales being offered. In addition, one reporter commented that "many mills have a lot of timber on the books from earlier this year and are now being selective." Another commented that "companies (in North Mississippi) had lots (of timber) on the books from heavy 1992-93 winter and spring purchases, thus are very selective on what they are buying." Some landowners in south Mississippi have apparently continued to reject bids they consider too low, holding their timber off the market in hopes of higher prices. These conditions combined to keep the market marking time.

Most pine mills contacted reported good log inventories and were starting to build winter inventories. One reporter in north Mississippi commented that "the biggest problem wasn't logs but not enough logging capacity."

The hardwood lumber market leveled off in August after an earlier drop. Oak lumber was down across the board. Some reporters felt a depressed economy was catching up with them. However, August is ordinarily a slow period in the Mississippi furniture industry as plants show new lines and take orders at furniture shows in Mississippi and North Carolina. Despite these reports, oak and mixed hardwood sawtimber prices held steady or moved higher. Some excellent prices were paid for a few sales of high quality oak sawtimber in July and August.

Bidding activity on hardwood timber sales appears down also with fewer sales being reported. Variable inventory conditions exist in the hardwood sawmill industry, with some mills having enough logs to begin "blocking logs out" while others couldn't keep a good flow of logs coming in. Oak prices continue to drive the market, but other species were moving at better than average prices. Delivered ash prices remained near the \$400/MBF level.

Pulpwood

Pine and hardwood pulpwood demand was good statewide with dealers reporting no quotas and shipping wood as they get it. Several reporters commented, however, that rains could change that picture quickly. Pulpwood prices remained steady to a bit higher.

Other Comments

CORRECTION: Please note the typographical error in the May/June issue. Rather than 382, the standing pine sawtimber average price for central Mississippi should have been 282. Most of you probably have already figured this out, but please correct your copy for future reference.

When asked about southern pine beetle, most reporters said they'd seen some incidence but no widespread problems. In general, SPB seems light and scattered.

This issue contains graphs of standing and delivered sawtimber prices for the past two years.

Anyone can get copies of the MCES Timber Price Report from the local Extension Office. The report is now available through the MCES County Computer network to all county Extension Offices. For the latest timber prices, call your county Extension Office or to get on the mailing list, contact Agricultural Economics or Extension Forestry at Box 9681, Mississippi State, MS 39762.

As always your comments, pro or con, are welcome.

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DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER¹

	<u>North</u>		<u>Central</u>		<u>South</u>		<u>Delta and River</u>	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	195-333	264	183-423	281	225-370	279	220-266	242
Chip-n-saw pine	-	65*	48-65	55	45-56	51	-	-
Poles (pine)	-	-	-	-	325-500	420	-	-
Mixed hardwood sawtimber ²	80-160	124	95-200	148	61-180	102	80-215	117
Oak sawtimber	228-295	269	200-271	228	220-400	311	280-400	327
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	10-35	23.50	15-40	24.50	9.75-25	17.50	11-25	18.00
Hardwood pulpwood	9-20	12.75	8-25	15.50	4.50-17	9.25	5.75-10	7.50

DELIVERED PRICES⁵

	<u>North</u>		<u>Central</u>		<u>South</u>		<u>Delta and River</u>	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	290-340	319	325-375	348	315-390	351	-	-
Chip-n-saw pine	-	94*	-	-	83-94	90	-	-
Poles (pine)	-	-	-	-	45/T*	-	-	-
Mixed hardwood sawtimber ²	210-250	223	230-255	244	225-270	245	180-270	205
Oak sawtimber	320-340	330	325-351	339	350-435	400	365-425	373
Other hardwood sawtimber	-	-	-	-	-	-	225-400	**
Pine pulpwood	45-60	53.50	38-55	43	40-41.75	40.50	-	46*
Hardwood pulpwood	38-63	52	31-58	44	32-36.50	35	42-45	43.50

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.

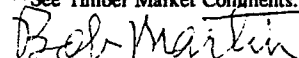
³"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.


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.


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