COOPERATIVE EXTENSION SERVICE Mississippi State UNIVERSITY

Mississippi Timber Price Report

Department of Agricultural Economics
Department of Forestry

Box 9681
Mississippi State, MS 39762

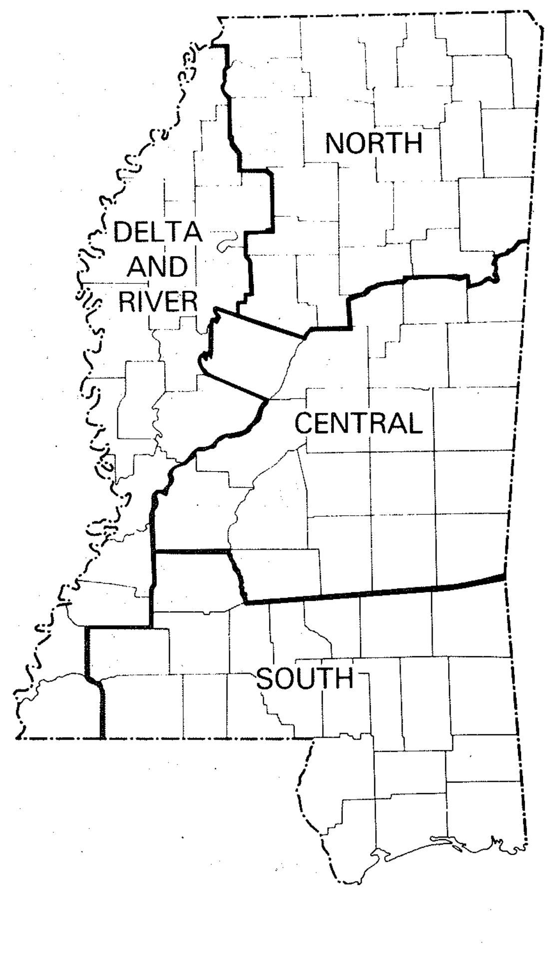
September/October, 1994

MISSISSIPPI TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

The Mississippi 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 the Cooperative Extension Service 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

The timber market was both "normal" and "abnormal" in September/October. Ordinarily, this time of year is active with buyers purchasing tracts in anticipation of winter rains, especially winter logging. That was also the case in September/October this year. Many reporters commented that prices were remaining high (some say, too high) and that competition for pine sawtimber on winter logging tracts was "ferocious". Hardwood mill buyers generally reported that log inventories were adequate going into the winter season. That was the "normal" part.

The "abnormal" part of the market was that persistent rains since about July have kept mills working hard to maintain log inventories. They've also been more focused on wet weather logging tracts earlier in the season than normal. Ordinarily, summer and early fall are dry and loggers can harvest timber almost anywhere. That was not the case in September/October. A few hardwood and pine mills closed for a few days or weeks because of short log supply. Tracts in some low areas may not be logged until next year . Some mills were sawing logs from their inventory at a time when they wanted to be building inventory for the winter. In much of the state, logging conditions were wet but logging was proceeding. One reporter in central Mississippi commented that "early spring was the last time we had good dry weather" (in his area).

Competition for hardwood and pine sales was described as "good" but several reporters mentioned that the number of sales being offered was slow, until mid to late October. Average sawtimber prices stayed relatively steady with prices in north Mississippi moving up a bit.

The hardwood lumber market has gotten a bit soft with oak flooring and number 1 common oak prices lower, but steady during September/October. One lumber publication commented that there was good demand for oak lumber, but just too much lumber available. This was keeping prices soft. The wet weather may help the lumber market. One reporter commented that lumber buyers were only buying as needed and letting mills hold the inventory.

The pine lumber market has remained strong with log inventories described as "low" to "normal". As mentioned, winter logging tracts are in demand. Some reporters commented that it's harder and harder to procure good pine sawtimber in some areas of the state. Competition and harvest levels are creating concerns among buyers about supply of pine timber in the future. They report that the volume of timber being cut and decreasing supplies from national forests is putting pressure on private forests.

<u>Pulpwood</u>

Demand for pulpwood, especially pine is good. Prices have moved up statewide for the first time in a while. Pulp and paper companies have noted an improvement in pulp markets for the first time in about 2 years. Buyers around the state report no quotas and mills buying "wide open". Again, pine pulpwood seems in shorter supply and bringing higher prices.

<u>Other Comments</u>

Reporters commented that Southern Pine Beetle occurrences are minimal. A few spots have been noted north of Oxford, but in general our reporters haven't noted any increases of SPB activity this period.

This issue contains graphs of hardwood and pine pulpwood prices for the last 2 years.

Anyone can get copies of the Mississippi Timber Price Report from the local Extension Office. The report is now available through the Cooperative Extension Service 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 at Box 9755 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 TIMBER[1]

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	275-451	344**	280-445	368*	222-459	365	278-423	349
Chip-n-saw pine	-	55*	-	-	48-73	60	-	-
Poles (pine)	-	-	-	-	450-575	531	-	-
Mixed hardwood sawtimber[2]	100-200	132	95-145	123	78-175	113	80-175	115
Oak sawtimber	160-200	188	150-225	210	-	-	250-411	296
Soft hardwood sawtimber[3]	-	-	-	-	-	-	-	-
Rare hardwood sawtimber[4]	-	-	-	-	-	-	-	-
Pine pulpwood	20-40	32.25	10-31	18.00	8-33	18.00	10-25	16.25
Hardwood pulpwood	10-30	17	5-20	13	8-22	13.00	10-21	12.50

DELIVERED PRICES[5]

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	350-410	378	329-430	397	400-450	424	-	-
Chip-n-saw pine	-	-	91-100	93	85-101	95	-	-
Poles (pine)	-	-	-	-		48/T*	-	-
Mixed hardwood sawtimber[2]	170-245	215	200-248	222	170-275	216	170-250	198
Oak sawtimber	285-310	305	-	-	-	-	360-390	374
Other hardwood sawtimber	-	-	-	-	-	-	190-400	**
Pine pulpwood	48-67	52	41-53	48	44-47	45.75	-	47*
Hardwood pulpwood	38-51	50.50	38-50	42	35-38	36.75	43-45	43.75

[1]Prices 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.

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

*Only one price reported.

**See Timber Market Comments.

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