



Mississippi State University Extension Service

Coordinated Access to the Research and Extension System

Mississippi Agricultural and Forestry Experiment Station

Box 9681  
Mississippi State, MS 39762

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## 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 Mississippi State University 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

#### Sawtimber

Strong national demand for softwood lumber and structural panels drove increased harvesting the first four months in Mississippi according to indications from Mississippi timber severance tax collections. During the period January to April of this year, timber severance tax collections, which are based on timber volume harvested, rose 9%. Privately owned housing starts in March were at a seasonally adjusted rate of 2 million units. This is 6.4% higher than February and 15.2% higher than a year ago. The Random Lengths framing lumber composite price for southern yellow pine 2X4, #2 kiln dried westside the week of May 7 was \$407. One year ago it had been \$295. That's a 38% increase in composite pricing. This demand helps both the pine and the hardwood markets.

March was a dry month statewide and harvesting was stronger than normal for this time of year. Increased production pushed sawtimber prices higher, especially in north and central Mississippi but yards filled quickly and by the end of April delivery quotas were imposed at many mills. One reporter in north Mississippi remarked that there "was a considerable amount of oversupply" there by the end of April.

Standing pine sawtimber average prices moved higher in March/April with prices ranging from \$378 to \$423/MBF, Doyle statewide. Foresters in central and north Mississippi reported that tracts of good quality pine sawtimber were in demand and the number of bidders was good.

The story from south Mississippi was very different. Reporters there complained that the market has become one characterized by low competition and dropping prices. Paper mill and sawmill closures have had a disproportionately negative impact on south Mississippi timber markets they report. They also are calling for greater efforts in economic development for that region of the state. One reporter commented "mill inventories were very high in February prior to the drought and scheduled mill maintenance outages lowered delivered prices in the first quarter (in south Mississippi). Quotas are widespread and some loggers have been laid off. As plywood and lumber prices hit all time high retail prices logs delivered to the mills reached all-time lows". "South Mississippi has to have new industry, alternate wood use and must have it soon or 40% of us are history".

The market for pine sawlogs was much better than for chip-n-saw throughout Mississippi. This reflects the state's forest economy's shift to one much more driven by pine lumber and panel production than in the past. For example, in 1990, pine logs comprised 47% of the value of Mississippi's timber harvest value while pulpwood was 36%. By 2002, pine logs were 66% of the timber harvest value and pulpwood was 20%. This is a large change in our forest economy.

In the hardwood industry there is optimism for 2004. Lumber demand and prices are better now due to the low lumber supply from 2003. Flooring and cabinet markets have been stronger since the fall. Low-grade hardwood markets like crossties and pallets have also seen strong demand in the last 6 months. A good housing market is helping this situation.

#### Pulpwood

The pulp and paper industry has seen hard times in the last 3 years. The industry has called it a recession. Mississippi's pulpwood markets have fallen significantly. The industry is more optimistic for 2004. Statistics for January 2004 show that total paper and paperboard production was up 2 percent compared to the previous year. Coated paper production increased 5.4% and newsprint production increased 1.6%. An article in May's Pulp and Paper magazine also reports that expected capital spending for the industry should increase 6% this year, the second straight year for an increase. This is a promising development for our industry.

Standing pine pulpwood averages ranged between \$3 - \$7/ton and hardwood ranged between \$3.50 - \$8.25/ton.

#### Other Comments

The pole market in south Mississippi was active in March/April. Standing prices for pine poles ranged up into the \$580 range.

"Mississippi's Business" for May, a newsletter produced by the Mississippi's Institutions of Higher Learning, reports that Mississippi's index of leading economic indicators is up 13.8% compared to March 2003. It remarks "The strong gain (of the index) bodes well for the economic performance in the coming months"

The Mississippi Timber Price Report is available on the World Wide Web. The current issue can be accessed through the Mississippi State University Extension Service Homepage. The Extension website has had a facelift and been combined with the MAFES site. The new site is at [www.msucare.com](http://www.msucare.com)>. Select "Forestry" from the left hand index and then select "Timber Price Reports" to find the Mississippi Timber Price Report on line. Individual price reports are available dating back to 1997. Other data will be added periodically.

Anyone can get copies of the Mississippi Timber Price Report from the local Extension office. For the latest timber prices, call your County Extension Office or to get on the mailing list, contact Extension Forestry at Box 9681, Mississippi State, MS 39762

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

MISSISSIPPI TIMBER PRICE REPORT  
 March/April, 2004  
 DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER<sup>1</sup>

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	367-475	423	371-502	421	261-524	378	-	391*
Chip-n-saw pine	72-81	75.25	63-84	68	52-90	67.25	-	-
Poles (pine)	-	-	-	-	500-600	580	-	-
Mixed hardwood sawtimber <sup>2</sup>	170-210	183	132-200	176	125-175	150	137-174	159
Oak sawtimber	290-323	307	314-357	336	255-330	295	331-415	355
Soft hardwood sawtimber <sup>3</sup>	-	-	-	-	-	-	-	-
Rare hardwood sawtimber <sup>4</sup>	-	-	-	-	-	-	-	-
Pine pulpwood	18-19	18.50	15-24.50	18	12-24.75	18.50	-	10*
Hardwood pulpwood	21-26	23.25	8-24	15.50	8-17	10	-	12*

DELIVERED PRICES<sup>5</sup>

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	470-497	488	480-495	490	460-492	480	-	-
Chip-n-saw pine	-	-	81-97	90	85-95	88	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber <sup>2</sup>	232-280	265	228-280	261	232-268	240	230-277	251
Oak sawtimber	340-410	392	365-410	393	355-413	390	370-460	436
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	32-60	49	30-54	45	34-61	45	25-44	41
Hardwood pulpwood	31-58	33	27-53	37	33-53	36	28-39	32

<sup>1</sup>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.

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

<sup>3</sup>"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.

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

<sup>5</sup>Delivered prices are values given at the sawmill or pulpwood yard gate.

Mississippi weight conversion factors for shortwood pulpwood by law are: pine = 2.6 tons/cord. ; mixed hardwood = 2.8 tons/cord.

There is no statutory weight conversion for sawlogs in Mississippi. Pine sawlog weight to lumber volume conversions vary by log diameter and range from 6.5 tons of logs/MBF of lumber to 12 or 13 tons/MBF. Most mills in Mississippi use weight conversion factors of 8 to 10 tons/MBF for southern pine. For hardwood logs (comprised mostly of oak and hickory), most mills use a conversion factor between 9 and 11 tons of logs/MBF of lumber. A mill's conversion factor will also vary according to the equipment configuration in the mill.

\*Only one price reported.

\*\*See Timber Market Comments.