Mississippi State University Extension Service

Mississippi Timber Price Report

Department of Agricultural Economics • Department of Forestry

Box 9681
Mississippi State, MS 39762

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MISSISSIPPI TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

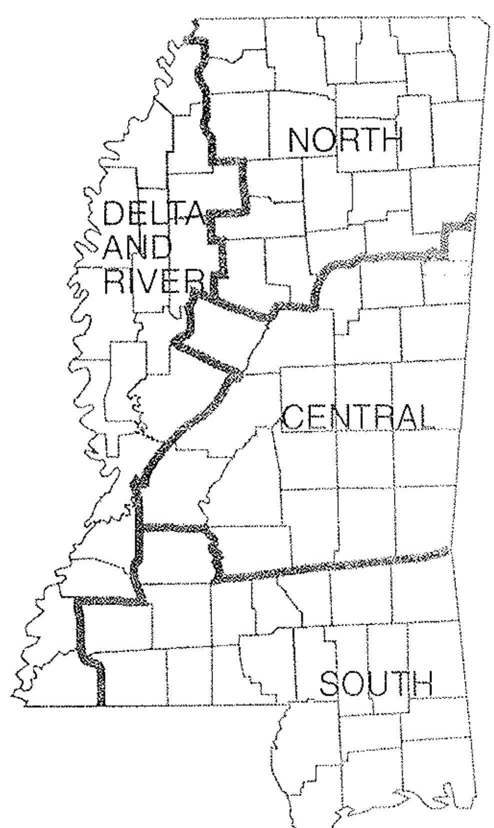
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Mississippi State University Extension Service to provide an accurate picture of timber 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

Sawtimber demand improved in March/April but prices remained soft. The continued over-supply of pine logs and relatively dry weather kept the need for winter logging tracts low. Sales activity in central Mississippi increased noticeably, south Mississippi remained steady and north of Highway 82 was "very slow."

Many reporters commented that their log supplies were "good" or said "we have plenty of logs." Some mills had loggers on quota but a few were buying logs to improve their supplies. Most buyers felt comfortable with the pine market right now. The pine lumber market continued to trend upward, but not enough to spur the stumpage markets. Many buyers said they would begin looking for tracts to buy in the near future because their standing timber inventory was "below where it needs to be."

Timber buyers were interested to see more tracts on the market. Several buyers and some consultants commented that many landowners were holding tracts off the market until prices improved. However, many consultants that made sales during March/April reported 6 to 8 bids per sale. It appears that the market for sawtimber is improving as the 1999 construction season gets underway and mills see their pine lumber orders increase. Average pine sawlog and chip-n-saw prices are not as high as last year at this time but prices are not bad. Landowners with tracts "heavy to sawtimber with not much pulpwood could expect good interest" commented several timber buyers.

A few sales of "winter logging" tracts were reported in Mississippi over $500/MBF for pine sawtimber. These were exceptions but a few tracts are still bringing top prices.

A few standing spruce pine sawtimber sales were reported in South Mississippi at $250/MBF, $237/MBF and $350/MBF.

On the hardwood side, standing prices for hardwood sawtimber dropped in March/April. Most mills reported good log inventories due to the dry fall and relatively mild winter. Oak lumber prices have "gone South" as one reporter put it because of over production. The premium oak lumber grades are OK but others have moved lower in the last few months. This over-abundance of oak lumber has caused prices to drop this spring in the mid-south. The oak flooring industry has been sluggish but demand from the furniture industry has been steady. Export trade in hardwood lumber was reported as improving which may help standing timber markets to recover later this year. Standing prices for ash sawtimber were reported this period: $250/MBF in North Mississippi and $300/MBF in the Delta/River region.

Overall, most buyers felt that the problems in the pulpwood markets were a drag on the sawtimber side of the market. Pine and hardwood mills were generally optimistic about lumber markets this year. Several buyers commented that "pine prices won't reach last year's levels but those were too high anyway."

Pulpwood

Pulpwood markets remained very tight in March/April though there were a few improvements. Pine pulpwood demand improved a bit but prices did not. A few reporters commented that while there was still plenty of pine pulpwood available usage at some of the mills was picking up. Most felt that overall recovery of the pulpwood market would take until fall but the overall economy was creating packaging demand that was helping. Pine pulpwood prices moved lower or held steady statewide.

The hardwood pulpwood picture remained gloomy, though a small improvement in demand was reported in northeast Mississippi near the Tenn-Tom Waterway. In central and south Mississippi, reporters commented that hardwood pulpwood was "very hard to move." Some reporters commented that they were not putting any money on hardwood pulpwood when cruising tracts because markets were so poor now. One forester in south-central Mississippi mentioned that he had "a tract sold last fall that loggers were cutting in April. The loggers didn't cut the hardwood pulpwood because they had no place to take it." Hardwood pulpwood prices moved lower statewide.

Many pulpwood mills have begun to pay different prices for pine pulpwood based on age. Reporters note that mills are paying $1 to $2 less per ton for "juvenile pine pulpwood" or "double bunk pine" (referring to the way first thinning pine trees are often carried double stacked on trailers because the short-bodied trees can be stacked for transport). This is becoming common as more plantations are coming into thinning age. Some mills are specifying that if trees are less than 15 to 17 years old they will bring the $1-$2 discounted price.

Other Comments

A news release by the Western Wood Products Association (WWPA) reports that U.S. softwood lumber consumption in 1998 was 52.6 billion board feet, an all-time record high. The previous record was set in 1987 at 50.6 billion board feet. Softwood lumber imports, mostly from Canada reached a record 18.7 billion board feet, almost 36% of 1998 consumption. The South produced about 16.2 billion board feet. WWPA forecasts a slight decline in softwood lumber production for 1999, about 52.1 billion board feet. While lower than 1998 this would still be a strong demand and should mean good pine sawtimber markets in Mississippi this year. In recent years Mississippi pine sawmills have produced about 2.2 billion board feet of pine lumber annually.

So far, this year housing starts have been ahead of 1998 which bodes well for solid wood products businesses in Mississippi. Composite panel markets have been very good and pine lumber prices have been trending up for a few months. These signs point to increasing production as this year progresses and likely opportunities for landowners to sell timber in a better market. The "jury is still out" on pulpwood markets.

Eastern redcedar is a native tree in Mississippi and is especially common on limestone soils. It is often the only tree that will grow on these high pH soils. Markets do exist for redcedar logs and cord wood in Mississippi, though currently buyers report a temporary oversupply of logs. Most of the cedar is shipped to a mill in Huntsville, Alabama where current delivered log prices were about $425/MBF. This price is for logs at least 8 feet, 6 inches long (or multiples thereof in tree length) with a minimum 6 inch top diameter. Landowners with "cedar land" should keep these markets in mind for future management.

Very little southern pine beetle activity has been reported so far this year. Given the mild winter we experienced many foresters have been looking for signs of outbreaks but so far none is visible.

The Mississippi Timber Price Report is now available on the World Wide Web. It can be accessed through the Mississippi State University Extension Service Homepage at <http://www.ext.msstate.edu>. Select "Agriculture and Natural Resources" then select "Forestry" and then "Timber Prices." Current price reports are available and other price data is being added.

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.

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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	340-555	435	350-600	426	373-533	439	378-480	441
Chip-n-saw pine	80-90	83	75-100	84	78-92	85	-	-
Poles (pine)	-	-	-	-	-	600	-	-
Mixed hardwood sawtimber[2]	125-207	162	90-207	133	100-220	161	105-165	131
Oak sawtimber	240-350	283.50	150-372	254	150-360	238	310-408	381
Soft hardwood sawtimber[3]	-	-	-	-	-	-	-	
Rare hardwood sawtimber[4]	-	-	-	-	-	-	-	-
Pine pulpwood	25-35	29	13-32	23	18-30	22	18-29	22
Hardwood pulpwood	8-20	16	7-18	12	4-16	13	5-19	12

DELIVERED PRICES[5]

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	480-515	501	475-516	502	480-535	515	-	-
Chip-n-saw pine	-	-	91-110	97	90-120	101	-	-
Poles (pine)	-	-	-	-		-	-	-
Mixed hardwood sawtimber[2]	200-260	240	230-280	260	225-275	268	175-260	225
Oak sawtimber	340-400	375	350-410	375	340-395	355	380-450	440
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	25-60	43	26-45	41	29-55	45	26-40	35
Hardwood pulpwood	25-50	30	28-40	30	25-42	30	24-35	29

[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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