

AGRI-MARKETING

EXTENSION MARKETING DEPARTMENT
 MCES TIMBER PRICE REPORT

May 1986

1. WHAT IS THIS REPORT?

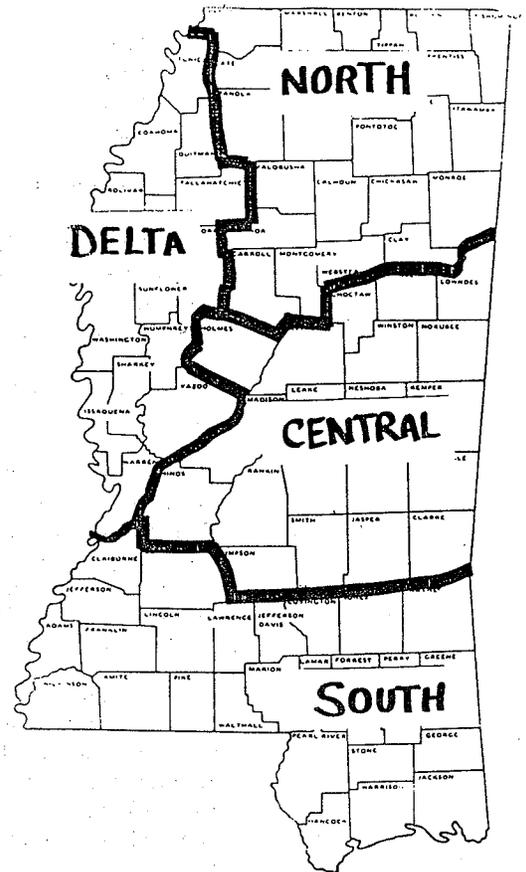
The MCES Timber Price Report is a monthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four market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

In the southern reporting district delivered pine log prices tend to be lower in the western section and higher in the east. During April the average pine sawtimber delivered prices for southwest and southeast Mississippi were \$194/MBF and \$228/MBF, respectively.

In north Mississippi, one mill reported a delivered pine sawtimber price of \$230/M for Grade 1 pine logs, 13 inches and larger (small end diameter).

Several mills reported that southern pine lumber prices appeared to be leveling off. Apparently, demand for pine lumber at some Mississippi mills has improved, while prices are remaining fairly steady. One mill reported they can sell all (the pine lumber) they can produce, but the price isn't good enough yet.

Hardwood mills reported oak lumber prices still firm. Several mill managers commented that demand in April was strong for oak, ash and yellow poplar, particularly for #1 common red oak lumber. However, it has also been reported that demand for the traditionally low-valued mixed hardwoods such as sweetgum is poor but this varies by location in the state. One mill in north Mississippi will not accept sweetgum at all, while at least one mill in central Mississippi was buying veneer quality sweetgum for \$60/MBF and yellow poplar for \$85/MBF on the stump. Also, the pallet lumber business is strong but price remains low.

Other hardwood sawtimber delivered prices reported in the Delta in April were as follows:

Gum	\$120-\$150/MBF	Pecan	\$130-\$170/MBF
Poplar	\$160-\$180/MBF	Cottonwood	\$120-\$140/MBF
Hackberry	\$150/MBF	Willow	\$140-\$150/MBF
Elm	\$160-\$170/MBF	Hickory	\$125-\$150/MBF
Ash	\$240-\$275/MBF	Cypress	\$180-\$190/MBF
Basswood	\$160/MBF	Beech	\$120/MBF

Southern Pine Beetle activity remains a problem in the timber market. SPB damaged timber continues to come into many mills throughout the state and delivered prices tend to be \$30 to \$40 less per MBF. In southwest Mississippi, for example, SPB logs were \$160-\$170/MBF delivered.

In the central region, delivered poplar sawlogs brought \$150-\$175/MBF and delivered select red oak and ash logs brought \$200/MBF.

Demand for pulpwood in north, central and south Mississippi continues to remain very poor and many pulpwood yards are not accepting pulpwood at all. The pulpwood prices shown are actual reported prices but most yards contacted were buying very little or no pulpwood. Good logging conditions continue to prevail causing paper mill pulpwood inventories to be very high. Also, some paper mills had been down for scheduled maintenance on their paper machines, further weakening pulpwood demand.

Chips are a by-product of lumber production and many sawmills rely on chip sales to supplement income. The fact that some sawmills are dependent on paper mills to buy their chips has caused lumber production problems at certain locations. Some sawmills will cease production until chip sales can resume. Due to the oversupply of pulpwood, sawmills have reported that chip buyers have become very selective, only wanting high quality chips. This situation also makes selling SPB wood more difficult.

Comments from users of the MCES Timber Price Report are welcome. If you see something you like or dislike let us know. Input from you will help make this report better. If you have a suggestion please write to the authors at P. O. Box 5446, Mississippi State, MS 39762.

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MAY 1986¹

STANDING TIMBER

	North		Central		South		Delta	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	80-150	121	110-165	137	110-162	140	-	-
Chip-n-saw pine	-	-	-	25*	15-29	22	-	-
Poles (pine)	-	-	-	-	285-313	303	-	-
Mixed hardwood sawtimber ²	40-90	56	40-45	42	40-65	53	50-75	62
Oak sawtimber	-	-	65-90	77.50	-	-	65-130	98
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	8-9	8**	5-10	8.50**	4-12	8**	-	-
Hardwood pulpwood	2-3	2.50**	1-4	3**	3-6	4.50**	5-7	6**

DELIVERED PRICES⁵

	North		Central		South		Delta	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	144-207	184**	175-225	200	180-240	212**	-	-
Chip-n-saw pine	-	53*	-	53*	49-57	55	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	138-155	143	115-162	135	130-145	135	140-165	152
Oak sawtimber	-	-	-	-	-	-	135-220	187
Other hardwood sawtimber	-	-	150-200**	-	-	-	120-275**	-
Pine pulpwood	32-38	35.50**	30-37	33**	34-36	35**	-	-
Hardwood pulpwood	-	26**	22-29	25.75**	25-28	26**	29-32	31

¹Prices reported are for timber market transactions during the previous 30-day period, sawtimber prices in \$/MBF Doyle, chip-n-saw and pulpwood prices in \$/cord.

²"Mixed Hardwoods" are mostly: Ash, 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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