



AGRI-MARKETING

EXTENSION MARKETING DEPARTMENT

January 1987

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

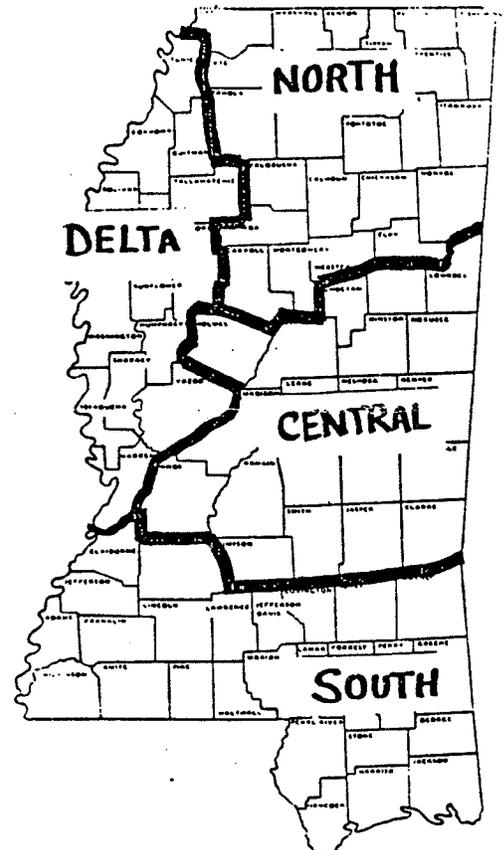
The MCES Timber Price Report is a monthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four market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

Sawtimber

In the southern reporting district delivered pine log prices tend to be lower in the western section and higher in the east. During December the average pine sawtimber delivered prices for southwest and southeast Mississippi were \$207/MBF and \$240/MBF, respectively.

The winter rains have eased enough to allow some logging and hardwood mills that had low log inventories have begun to get logs again. However, several firms still have low inventories, were working on a day-to-day basis or had experienced partial shutdowns. Some of the larger hardwood mills apparently have enough inventory to maintain normal operations. For many firms though continued wet weather will cause operations to stop. Some pine mills are also experiencing inventory problems.

Production slowdowns due to inventory problems come at an unfortunate time. Many mills, both hardwood and pine, are reporting good business and can sell all they're cutting. Oak and to a lesser extent ash demand remains strong and still drive the hardwood market. Pine mills appear to be experiencing an increase in lumber demand due to the Canadian lumber settlement at the first of the year. One mill manager reported increased activity at his mill but didn't think the settlement will lower the volume of Canadian wood coming to the U.S.

Though the year-end flurry of timber sales to take advantage of the old tax law is past, many mills still report a "good bit" of timber still for sale. Buyers speculated that some landowners are trying to clear out southern pine beetle timber while others may have to sell some to cover upcoming tax payments. Still others may be selling timber tracts with good winter logging to get a good price for their timber.

In the central reporting district cooperators reported stumpage prices for good quality Tupelo gum and sweetgum at \$70/MBF and yellow poplar at an average of \$77/MBF. Delivered prices for veneer quality yellow poplar logs were reported at \$180/MBF while Tupelo and sweetgum were \$150/MBF.

Reported delivered prices for ash in the Delta ranged from \$250 to \$275/MBF.

Pulpwood

Rainy weather has increased the demand for pulpwood with most yards contacted buying all they can get and prices have risen slightly. Hardwood pulpwood particularly seems to be a "hot item" but yard orders are generally good for pine pulpwood, too.

Other Comments

Graphs of major timber prices are not included in this report but will be plotted quarterly.

Comments from users of the NCES 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.

MCES TIMBER PRICE REPORT

JANUARY 1987

STANDING TIMBER

	North		Central		South		Delta	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	90-150	127	110-170	140	131-210	162	-	-
Chip-n-saw pine	-	-	23-44	33.50	-	30*	-	-
Poles (pine)	-	-	-	-	280-300	290	-	-
Mixed hardwood sawtimber ²	40-70	53	40-110	66	40-75	59	-	90*
Oak sawtimber	-	80*	70-125	95	-	-	-	130*
Soft hardwood sawtimber ³	-	-	70-85	**	-	-	-	-
Rare hardwood sawtimber ⁴	-	135*	-	-	-	-	-	-
Pine pulpwood	5-16	10.50	7-12	9.75	10-16	12.25	-	-
Hardwood pulpwood	2-3	2.25	2-6	4	5-10	7.00	4-7	5

DELIVERED PRICES⁵

	North		Central		South		Delta	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	144-230	198	180-225	230	195-255	223**	-	-
Chip-n-saw pine	-	-	53-72	60	55-61	59	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	140-156	149	140-165	152	-	140	120-175	152
Oak sawtimber	-	-	-	175*	-	-	200-250	225
Other hardwood sawtimber	-	-	150-180	**	-	-	-	-
Pine pulpwood	32-38	35.50	30-37	34	34-55	37	38-42	39.00
Hardwood pulpwood	27-37	32**	25-33	29.50	25-48	30	32-34	33.00

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.

Bob Martin

Bob Martin
Extension Economist
(601) 325-2515

Bob Daniels

Bob Daniels
Extension Forester
(601) 325-3150