

MCES Timber Price Report

Extension Agricultural Economics Department
Extension Forestry Department

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May 1988

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

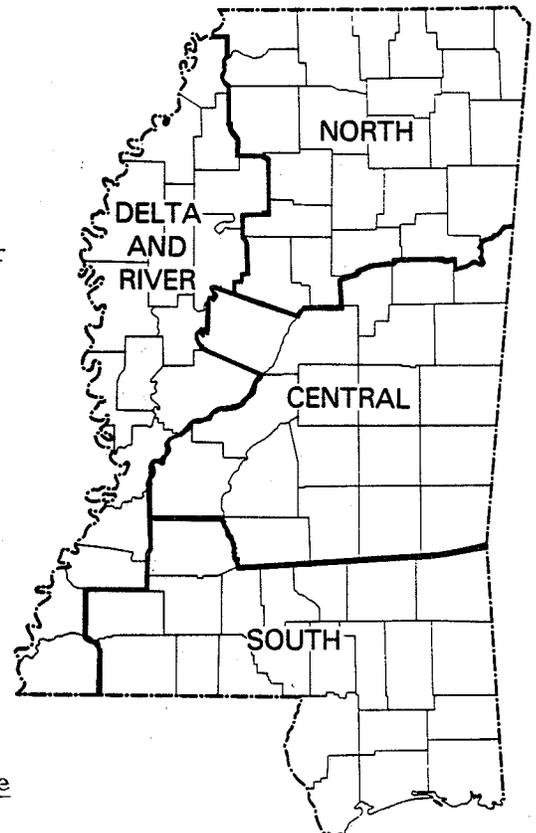
The MCES Timber Price Report is a monthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four market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

A prolonged period of dry weather has made practically all of Mississippi timberland accessible to loggers and many mills have excess supplies of logs on their yards. Most mills have either placed quotas on delivered logs or simply closed yards to outside supplies on specific days.

Several hardwood mill reporters sensed a weakening in the lumber market due to large supplies. Hardwood prices were relatively steady compared to last month except in the Central and North reporting districts where prices were lower.

Delivered and standing pine sawtimber prices dropped for the first time in several months. This follows a slide in the lumber market for the past couple of months and reflects the large amount of timber available due to the dry weather. Several mills reported closing delivered operations from 2 to 4 days per week. Delivered pine sawtimber prices averaged \$210 in the southwest and \$252 in the southeast. Nearly all mills reported difficulty in moving chips. Many could not find markets at all; others experienced a sharp reduction in quotas.

Pulpwood

Several reporters described the pulpwood market as "dead." An overabundance of both hardwood and pine pulpwood and some pulp mills closed for scheduled maintenance have made pulpwood markets very sluggish. Although prices have not drastically declined, markets are not available in many areas. The basic problem in timber market now is oversupply. Dry weather (which means excellent harvesting conditions) has kept log yards full and has caused downward pressure on price. Most mills expect the oversupply to continue through the summer.

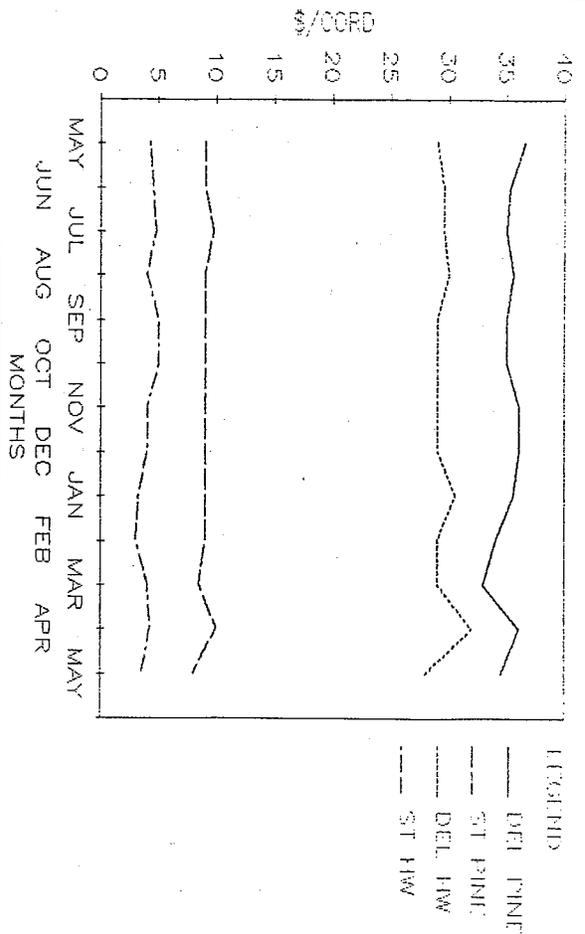
Other Comments

Many mills are still buying timber but are being more selective. Charts plotting monthly pulpwood prices for the previous year are presented in this issue.

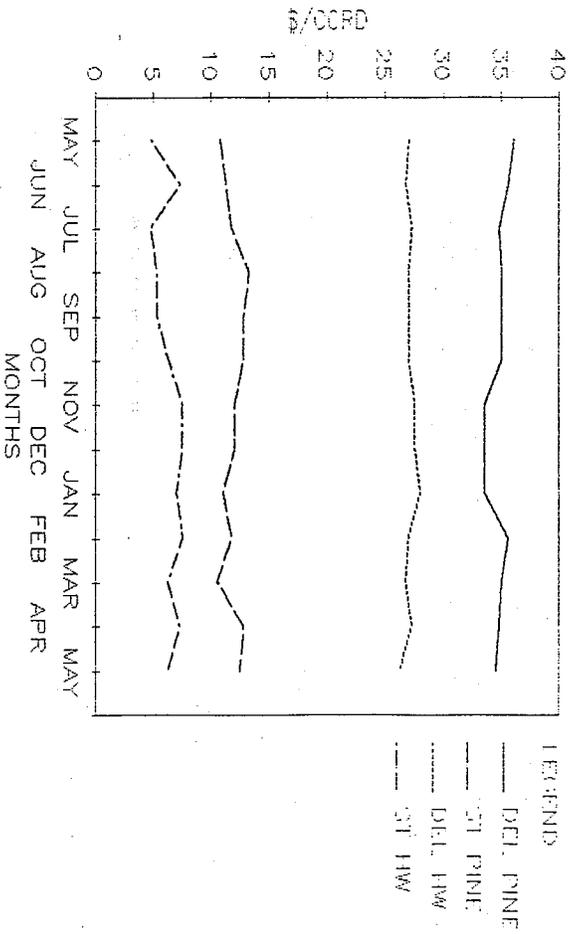
Some Southern pine beetle activity is still being reported in parts of north Mississippi but virtually none elsewhere.

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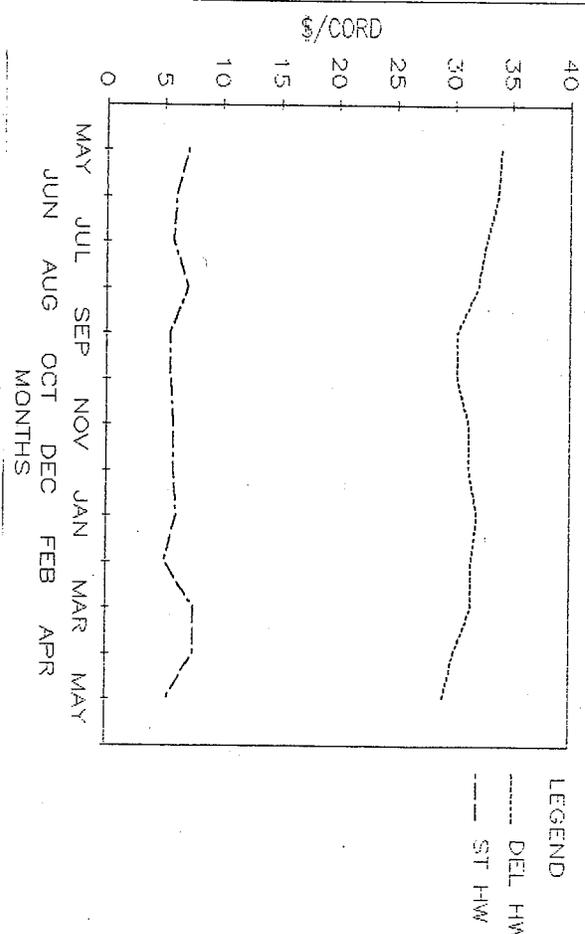
DELIVERED AND STANDING PULPWOOD
PRICES FOR MAY 1987 - MAY 1988
NORTH



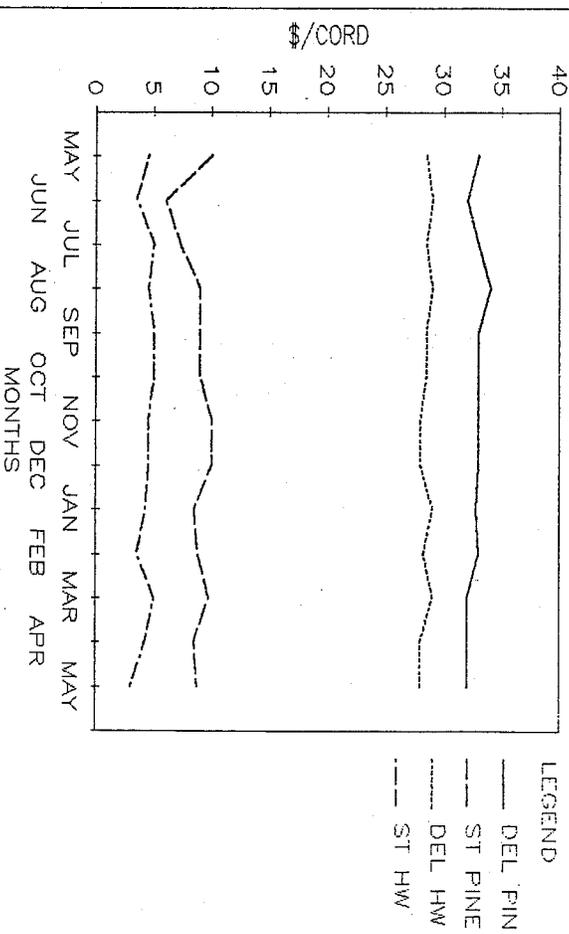
DELIVERED AND STANDING PULPWOOD
PRICES FOR MAY 1987 - MAY 1988
SOUTH



DELIVERED AND STANDING PULPWOOD
PRICES FOR MAY 1987 - MAY 1988
DELTA



DELIVERED AND STANDING PULPWOOD
PRICES FOR MAY 1987 - MAY 1988
CENTRAL



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STANDING TIMBER

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	83-150	113	135-175	158	150-200	171	-	-
Chip-n-saw pine	-	-	27-30	28.50	-	-	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	40-87	65	45-75	63	61-66	64	40-108	67
Oak sawtimber	85-120	101	-	100	-	-	155-200	180
Soft hardwood sawtimber ³	-	-	-	-	-	-	90-100	85
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	7.50-8.50	8	7-10	8.75	12-14	12.50	10-12	11
Hardwood pulpwood	3-4	3.50	2-5	3	4-9	6.25	5-7	5.25

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	200-225	214*	190-240	226	180-280	231**	-	-
Chip-n-saw pine	-	-	55-59	57	55-64	58.50	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	155-175	163	125-160	144**	140-165	151	120-170	141
Oak sawtimber	-	185*	150-200	175	-	-	218-300	255
Other hardwood sawtimber	-	-	-	-	-	-	120-300	**
Pine pulpwood	31-37	34.50	31-35	32	32-37	34.50	29-40	34.50
Hardwood pulpwood	-	28*	27-32	28	24-28	26.25	27-33	29

¹Prices reported are for timber market transactions during the previous 60-day period, sawtimber prices in \$/MBF Doyle, chip-n-saw and pulpwood prices in \$/cord.

²"Mixed Hardwoods" are mostly: 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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