

MCES Timber Price Report

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MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

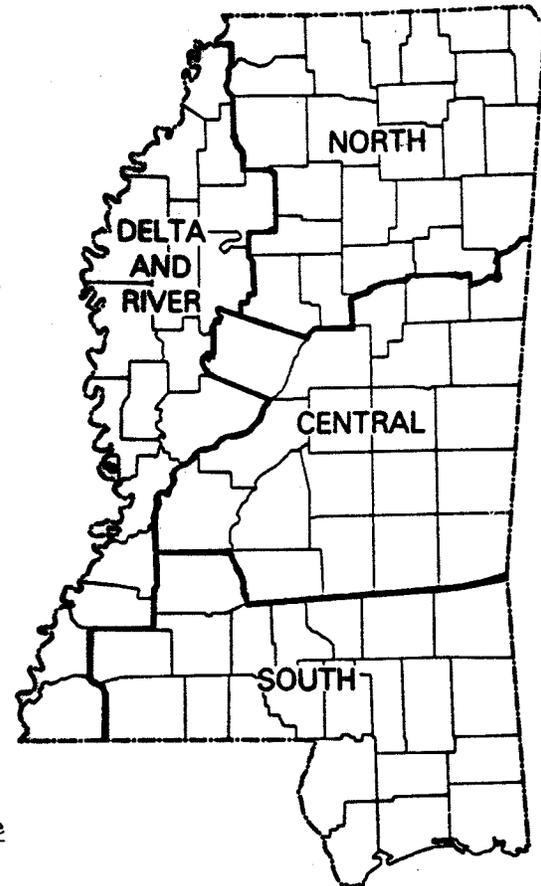
The MCES Timber Price Report is a monthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four market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

The key words in January were log inventory. Due to continued rainy weather in January (most of Mississippi received normal or above normal rainfall) many pine and hardwood mills were low on logs or out of logs. Efforts by sawmills to boost log yard inventories caused reported pine stumpage prices to move higher in the central and southern reporting districts while reported mixed hardwood stumpage prices moved higher in the north, central and Delta regions. Most operating mills commented that their log inventories were "lower than normal."

An interesting note for landowners is that the high prices being paid for stumpage this winter are for tracts that can be logged immediately (so called "winter logging"). Timber buyers with mills temporarily closed will pay a premium for timber they can cut immediately. Reports of these type sales are probably the reason for the rise in average stumpage prices in January. If you have winter logging remember it can have extra value at this time of year. One mill reported competition for winter logging in south central Mississippi "very stiff." In the southwest reported delivered pine sawtimber prices averaged \$226/MBF and in the southeast prices averaged \$269/MBF.

The pine lumber market was reported as "steady with prices firm." On the hardwood side, the lumber market was reported as "active" but prices had remained "about the same." One mill reporter said they were "sold out a month in advance."

Many reporters mentioned that there were a "normal number" to "many sales" being offered. However, logging conditions in central and south Mississippi were generally poor.

For the Delta and river area, ash delivered log prices again reached the \$300/MBF range with an average price of \$275/MBF.

Pulpwood

Demand for both pine and hardwood pulpwood is good virtually statewide. Hardwood pulpwood is especially needed. Most yards contacted were buying "wide open" but logging conditions were making harvesting difficult. One wood yard contact said he'd "buy a lot more if he could get it." Several buyers noted that though there is much demand for pulpwood mill prices haven't changed much.

Landowners in north Mississippi with hardwood pulpwood to sell should check their local market. Hardwood pulpwood markets in north Mississippi tend to be best near the Tenn-Tom Waterway on the east and close to I-55 on the west.

Other Comments

Recent articles in Furniture Today and National Hardwood Magazine have mentioned that the furniture industry is projecting a good year especially for the first half of 1989. Similarly, hardwood executives commented they were glad to have a slow down in hardwood lumber production to help absorb the over supply of hardwood lumber from last year. Several were optimistic about the hardwood lumber market at least until summer.

Anyone can receive the MCES Timber Price Report by contacting your county agent or the authors.

COMMENTS? We'd like to hear from you whether you're a forest landowner or in forest industry. Is this report useful to you? What's wrong with it? What's right with it? How do you use it? Has it helped you with a timber sale? Let us know your reaction to this report.

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JANUARY 1989

STANDING TIMBER

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	135-225	166	150-251	187	168-276	216	-	-
Chip-n-saw pine	25.50-40	33.50	30.25-43	35.50	-	-	-	-
Poles (pine)	-	-	-	-	340-400	369	-	-
Mixed hardwood sawtimber ²	63-125	83	64-150	83	40-66	57	53-90	70
Oak sawtimber	83-132	106	100-120	110	-	-	125-200	146
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	9-11	10	7-12	10.25	6.75-20.00	14.50	-	-
Hardwood pulpwood	4.25-6	4.75**	3-8.50	5.75	6.75-12.00	9.25	5-6	5.75

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	182-250	223	200-284	241	200-280	250	-	-
Chip-n-saw pine	55-66	60.50	52-61	56	60-70	66	-	-
Poles (pine)	-	-	-	-	40-43/T	41/T	-	-
Mixed hardwood sawtimber ²	153-170	165	150-175	160	140-170	153	128-200	156
Oak sawtimber	183-225	202	200-220	206	-	-	220-275	247
Other hardwood sawtimber	-	-	-	-	-	-	135-300**	
Pine pulpwood	34-42.50	37	33-41	35	35-42	36.75	-	40.00*
Hardwood pulpwood	29-37	32	27-40	33	27-43	30.50	32-34	32.50

¹ Prices 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, 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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