

MCES Timber Price Report

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MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

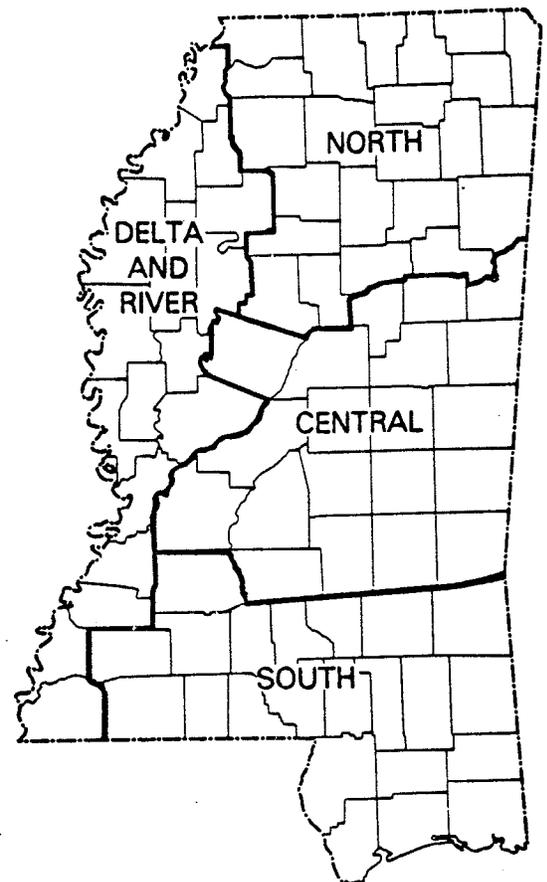
The MCES Timber Price Report is a monthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four market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

Diverse weather conditions during March created varied logging conditions and resulted in a wide range of inventory and prices reported from across the state. Some pine and hardwood mills reported low inventories and work stoppages due to log shortages. In several areas prices were unusually high with winter logging stumpage demanding premium prices. In other areas mills have ample inventories for this time of the year and are not offering premium prices for logs. In some cases, mills with good timber supplies are "out of the market until prices calm down."

Most hardwood sawmills reported that "conditions are about the same as last month." One mill reported that "my inventory is too low" while another reported that "we seem to be over the hump." Average delivered and standing mixed hardwood sawtimber prices showed very little change from February. However, a consultant reported that standing prices are "high for logable tracts, low for those that can't be logged now." Two tracts of predominately oak sawtimber in the Delta and River area sold for a stumpage price around \$250/MBF. Because of the abnormally high prices, these sales were not included in our report. Conversely, a couple of mills had decreased their prices by \$10-20/MBF since last month. Others indicated that their prices have held for a couple of months but would probably be lowered by next month.

In the central district, delivered prices for white oak and poplar sawlogs were \$195/MBF and delivered ash prices were reported at \$250/MBF.

Most pine mills, especially those in South Mississippi, reported that saw log inventories were low now but beginning to return to normal. Average delivered pine sawtimber prices were \$229/MBF in the southwest and \$269/MBF in the southeast. Standing pine sawtimber prices averaged \$190/MBF in the southwest and \$206/MBF in the southeast. Pine saw log prices remained relatively high with some decrease seen in the average price of standing timber in areas where log inventories are increasing. On the other hand, several sales were reported in the \$250-275/MBF range for standing pine timber with one sale reported at over \$300/MBF. Again because these sales were unusually high, they were not included in our regional averages. In the central district, seven pine timber sales on the MSU Forest in March ranged between \$238/MBF and \$318/MBF with an average of \$262/MBF. These were not included in the regional averages since the quality and volume per acre on these sales is generally higher than average for the central district. These variations, however, do signify just how volatile and unpredictable prices have been this winter. A few mills reported that "the market is terrible." Several reporters indicated that with low lumber prices and high log prices they do not understand how "mills can continue to stay in business." The April 7, 1989 Random Lengths reported for southern pine from this central region, 8 foot 2 x 4 #1 kiln dried at \$255/MBF with 2 x 4 #2's at \$215/MBF, 2 x 6's and 2 x 8's were reported around \$200/MBF.

In the central district, several reporters commented that there was "more timber for sale than they could look at." One forester said "apparently landowners were hearing about the high prices for winter logging and were trying to sell now." Several foresters however said they thought that stumpage prices had peaked.

Pulpwood

Demand for both pine and hardwood pulpwood is strong. A few mills in the south region reported a real shortage of hardwood pulpwood.

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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MARCH 1989

STANDING TIMBER

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	110-190	157	155-200	175	168-228	199**	-	175**
Chip-n-saw pine	-	36*	-	33	-	-	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	65-110	79	64-90	76	61-66	64	40-90	69
Oak sawtimber	78-125	109	110-160	130	-	150*	125-200	166**
Soft hardwood sawtimber ³	-	-	-	-	-	-	70-80	77
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	6.50-11	8.50	7-13	10.25	9.50-15	12	-	-
Hardwood pulpwood	3-10	5**	3.50-7.50	5.50	7-14	10.25	5-7	6.25

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	182-245	219	200-260	237	225-275	253	-	-
Chip-n-saw pine	55-65	60	57-65	61	61.50-74.50	68.50	-	-
Poles (pine)	-	-	-	-	32-42/T	38/T	-	-
Mixed hardwood sawtimber ²	148-175	163	155-180	166	140-175	155	135-200	158
Oak sawtimber	-	173*	200-230	206	-	-	200-250	237
Other hardwood sawtimber	-	-	-	-	-	-	135-375	-
Pine pulpwood	34-41	36.50	32-36	34	33-44	37	-	44.00*
Hardwood pulpwood	28-40	34.50	28-40	33	26.50-39	31.25	32-36	34.00

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, 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.

⁵Delivered prices are values given at the sawmill or pulpwood yard gate.

*Only one price reported.

**See Timber Market comments.

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