

# MCES Timber Price Report

**Agriculture Economics Department  
Extension Forestry Department**

P. O. Box 5446  
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## MCES TIMBER PRICE REPORT

### 1. WHAT IS THIS REPORT?

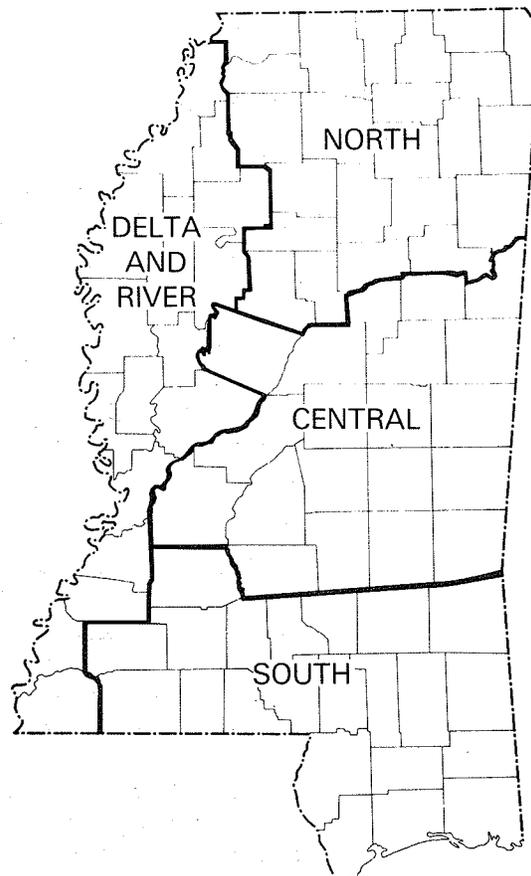
The MCES Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four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

Above average rainfall across the state continues to keep logging conditions difficult and timber prices erratic. Many sawmills are operating on small log inventories and have seen some lost production due to no log inventory. Phrases like "we were down 3 or 4 days last week" or "1 or 2 days log inventory on hand" or "the log yard stays open 7 days a week" were common in January and February. Statewide rainfall has been more than 50 percent above normal, especially south of Highway 82.

In some parts of the state buying competition was fierce for winter logging. One sale reported showed the winning bidder paying \$47,000 more than the number two bidder. He wanted to be sure he got that tract! Another sale showed a company paying 60 percent higher than the asking price for a winter logging chance. These extremely high prices illustrate how erratic the market has been due to weather. One reporter commented, "There are two markets out there, high price market and no market." He was referring to the same thing another reporter mentioned. He said, "There are plenty of timber sale advertisements on my desk, but I'm only going to look at those that had good access and can be logged immediately." Some buyers, however, feel prices are too high and are "sitting on the sidelines" waiting for prices to drop when the weather gets drier. Many contacts reported that they expect prices to come down in the next few months.

Forest landowners should realize that higher stumpage prices being paid are for good quality timber that can be "accessed immediately" and are not for lowland timber that will have to wait for dry weather to be cut. Also, the scramble for "winter logging" is mostly a pine market, although upland hardwood timber is also selling well currently. In general, hardwood mills plan for difficult winter logging conditions by stock piling logs better than pine mills.

As a result of log shortages, pine and hardwood prices have been erratic and high. Pine sawtimber average stumpage prices were higher across the state while hardwood prices were steady except in the Delta. This reflects lesser urgency in the hardwood market. Winter logging prices for pine and red oak were reported over \$300/MBF for individual sales. These were not included in the averages because they were special cases. Tracts such as these were isolated, but the fact they occur is good justification for selling timber by sealed competitive bids.

The lumber market has been steady, but there is some "uneasiness." Although logs have been in short supply and lumber production lower, prices haven't increased, and both hardwood and pine at times were reported as "hard to move" by some mills.

Several hardwood mills report that poplar was short and prices higher. Oak and ash demand remains strong. Reported delivered pine sawtimber prices averaged \$244/MBF in the southwest and \$292/MBF in the southeast.

### Pulpwood

Pulpwood demand was good with mills seeming to have enough hardwood pulpwood and looking for more pine. Prices were steady. Delivered prices remained on the high side while stumpage prices were generally a bit lower. Several pulpwood contacts mentioned that they were shipping wood as fast as they received it and that orders were good especially for pine. Poor logging conditions are also hindering the pulpwood market. One pulpwood buyer mentioned a real shortage of shortwood cutters in his area and said it was a big problem.

### Other Comments

Here are a few hints for landowners for interpreting timber prices. Remember, these are price averages for timber products and are NOT the value of your particular tract. Since there is a range, it's easy to see that some tracts are worth more and some less than the average for various reasons. Read the front page of the report and the timber market comments for more information.

In counties along the borders of price report regions, realize that the prices will likely be somewhere between the average for each adjacent region. Competition for timber in Mississippi tends to be greatest in south and lesser in the north. Therefore, a price for Oktibbeha County would likely be somewhere between the north and central regions since it lies on the border of those two regions.

Beginning with this issue, we are changing our format to a bimonthly report. Readers can now expect to get the MCES Timber Price Report every two months. The new publication schedule will be more accommodating to readers. Please note the attached addendum for December, 1989.

Anyone can receive the MCES Timber Price Report by contacting their county agent or Extension Forestry Department.

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 DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	91-258	183	180-285	228	170-300	223	-	-
Chip-n-saw pine	-	39	30-41	36.50	-	-	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber <sup>2</sup>	80-150	99	63-150	87	65-105	75	120-135	128
Oak sawtimber	-	100	110-158	134	-	-	150-250	192
Soft hardwood sawtimber <sup>3</sup>	-	-	-	-	-	-	180-200	190
Rare hardwood sawtimber <sup>4</sup>	-	-	-	-	-	-	-	-
Pine pulpwood	10-16	13.50	8-18	12	6-14	10.25	-	-
Hardwood pulpwood	4-15	7.25	4-18	8.50	4-19	9.00	-	7.00*

DELIVERED PRICES<sup>5</sup>

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	240-260	251	260-278	273	230-312	271	-	-
Chip-n-saw pine	-	65	-	68*	66-78	70.50	-	-
Poles (pine)	-	-	-	-	-	40/T	-	-
Mixed hardwood sawtimber <sup>2</sup>	175-200	184	170-235	183	160-180	170	120-180	172
Oak sawtimber	-	200	-	250	-	-	235-325	259
Other hardwood sawtimber	-	-	-	-	-	-	120-400	-
Pine pulpwood	40-45	42	35-45	40.25	36-41	38.25	-	47.00
Hardwood pulpwood	34-44	37.75	32-43	38.50	32-47	37.25	33-38	36.00

<sup>1</sup>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, delivered pine poles in \$/ton.

<sup>2</sup>"Mixed Hardwoods" are mostly: Low-grade oak, Beech, Cottonwood, Willow, Elm, Gums, Locust, Hackberry, Magnolia, Pecan, Hickory, Sycamore, Tupelo and Birch.

<sup>3</sup>"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.

<sup>4</sup>"Rare Hardwoods" are mostly: Walnut, Cherry, Royal Paulownia, Persimmon, some species and grades of Cypress, certain prime grades of Cherrybark and White Oaks.

<sup>5</sup>Delivered prices are values given at the sawmill or pulpwood yard gate.

\*Only one price reported.

\*\*See Timber Market comments.

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