



MCES Timber Price Report

Agriculture Economics Department
Extension Forestry Department

P. O. Box 5446
Mississippi State, MS 39762

March/April 1993

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

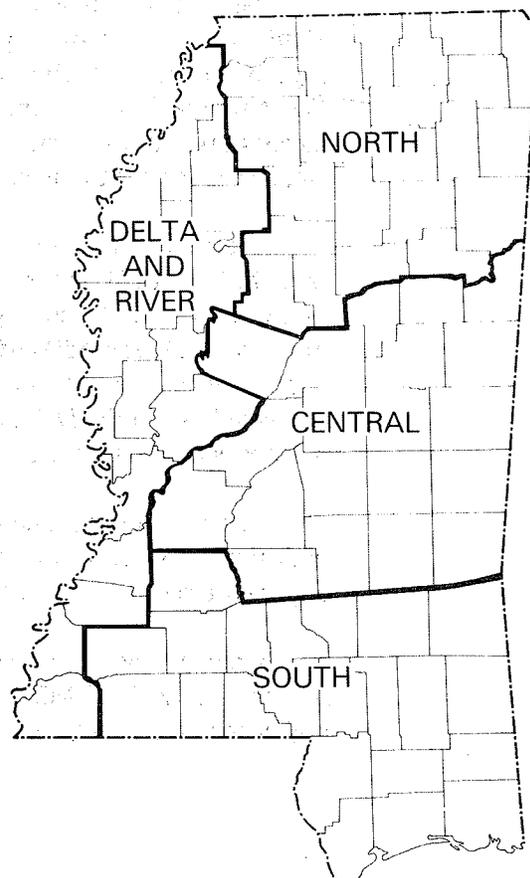
The MCES Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four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

Strong prices for pine and hardwood sawtimber continued in March and April. High market prices for lumber and weather-related log supply restrictions at Mississippi sawmills combined to keep prices up.

A good description of the stumpage market in March/April is "competitive." Fierce competition for pine stumpage throughout the state caused standing prices to move up to over \$300/M in every region of the state. Several prices on consultant sales were reported in the \$400/MBF,D range and one over \$500/MBF,D. These prices were for good quality timber, with good access and mostly winter logging. However, the fact that some buyers were competing strongly at this time of year caused 9 to 30 percent to be "left on the table." This competition accounted for these few unusually high prices reported.

Many mills reported low log inventories and most were working to keep ahead of the rains. Periodic rains throughout the winter this year have made logging mills difficult. Several mills, especially hardwood sawmills, have run out of logs or run curtailed production schedules because of log shortages. Other mills have been reluctant to pay the increasing stumpage prices and decided to "sit on the sidelines" until log costs come down.

The hardwood market has been strong in the last 60 days with several interesting sales reported. Hardwood mills reported good markets for lumber and with higher prices for oak and shortages of logs, other species such as poplar, gum, and cottonwood were reported moving well at higher prices. One hardwood mill reporter commented that "the market will not weaken until production (lumber) catches up with the market. That could be several months." A few reporters commented that "the weather is the predominant factor in the market right now."

Several high quality hardwood sales were reported this period. One sale in North Mississippi brought \$389/MBF,D for a 40 percent veneer quality red oak stand. The reporter called it the "best hardwood sale in the county in years!" Another sale in Central Mississippi brought \$600/MBF,D for grade red oak and \$500/MBF,D for grade white oak. Some soft hardwoods (like sweetgum and poplar) were reported selling at over \$200/MBF,D stumpage and up to \$275/MBF,D delivered. Delivered ash in the Delta and River area ranged from \$350 to \$400/MBF,D. One reporter said, "It has not been the increase in prices that have caused problems but the suddenness of the increase."

Most reporters commented that there was lots of timber on the market. Apparently, the news of high timber prices has prompted many landowners to offer their timber for sale. Many reporters expected prices to ease in the next 60 days as drier weather sets in.

Standing pine sawtimber prices reported in the southwest averaged \$342/MBF,D, which was higher than the \$325/MBF,D averaged in the southeast. Usually, prices reported in the southeast are higher than the southwest.

Pulpwood

Demand for pulpwood remained good with most yards wanting wood and shipping it as they received it. Prices remained steady with some buyers offering "mud fees" which add \$1-\$2 to prices to encourage loggers. Though mills were wanting wood, some dealers commented that the pulp market was soft and worried that pulpwood purchases would get slow once the weather got drier.

Other Comments

The pole market has been strong with some price increases.

We have made the MCES Timber Price Report available through the MCES County Computer Network to all County Extension Offices. Any time you would like to check the most current timber prices, you can call your County Extension Office and ask for the information. This should help you have access to the latest timber price information as soon as it is available.

This issue contains graphs of standing and delivered pine and hardwood sawtimber prices for each area for the past two years.

The MCES Timber Price Report is available to anyone by contacting your county Extension office or Extension Forestry at P. O. Box 5446, Mississippi State, MS 39762. Your comments are welcome.

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DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER¹

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	181-483	306	200-477	326	230-400	332	260-450	325
Chip-n-saw pine	70-75	74	45-70	57	-	52*	-	50
Poles (pine)	-	-	-	-	400-450	423	-	-
Mixed hardwood sawtimber ²	80-150	119	70-175	113	80-130	95	110-200	159
Oak sawtimber	175-275	214	125-300	231	-	-	275-415	337
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	390*	418-600**	-	-	-	-	-
Pine pulpwood	15-34	24.50	15-30	20	15-30	19.50	11-25	18.25
Hardwood pulpwood	6-20	13	7-30	13	5.25-12	9	8-15	10.50

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	290-380	351	305-390	360	250-400	349	-	-
Chip-n-saw pine	-	109*	77-97	89	75-94	83.50	-	-
Poles (pine)	-	-	-	-	42-48	45/T	-	-
Mixed hardwood sawtimber ²	230-270	250	250-255	253	183-270	231	190-265	209
Oak sawtimber	-	310*	300-350	316	-	300*	300-425	371
Other hardwood sawtimber	-	-	-	-	-	-	225-400	**
Pine pulpwood	46-67	56.50	40-61	45	36-52	43	-	50*
Hardwood pulpwood	31-56	46.50	35-58	43	32-37	34.75	42-47	45

¹Prices reported are for timber market transactions during the two-month period listed, sawtimber and standing pole prices in \$/MBF Doyle, chip-n-saw and pulpwood prices in \$/cord, delivered 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.

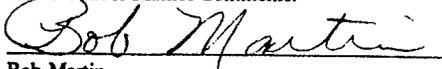
³"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.

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.


Bob Martin
Extension Economist
(601) 325-2515


Bob Daniels
Extension Forester
(601) 325-3150