

Mississippi Timber Price Report

Department of Agricultural Economics

Department of Forestry

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MISSISSIPPI TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

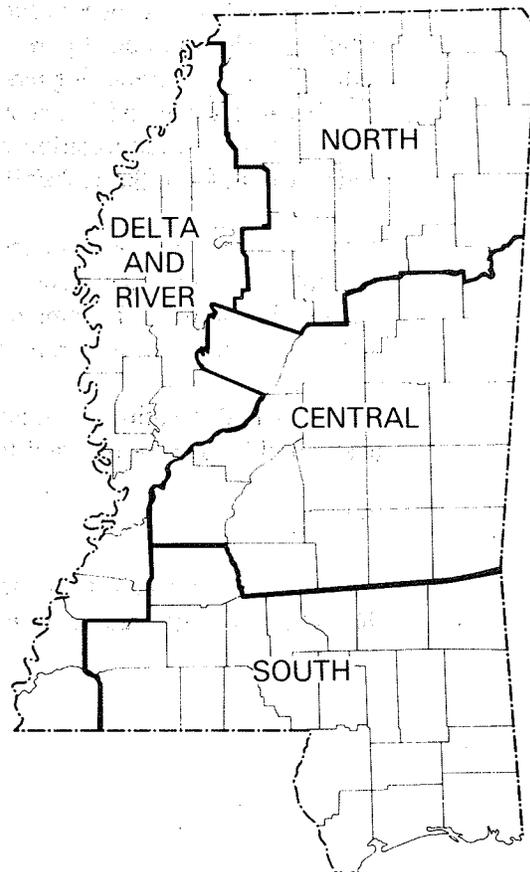
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Cooperative Extension Service to provide an accurate picture of timber market activity.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



Timber Market Comments

Sawtimber

The timber market remained strong as we entered 1995, though sales activity was slower.

Most pine and hardwood mills contacted throughout the state had good inventories of logs. This is especially true for mills in the southern half of the state. They consistently commented that log inventories were above normal for this time of year. Market activity was slow as usual for the November/December period, but competition was fierce for winter logging tracts with good volumes of pine timber. One sale reported in central Mississippi had 12 bids and the pine sawtimber brought \$654. per MBF. A few other foresters around the state also reported pine sawtimber at \$600. and more per MBF, but these were exceptions and were not put into the calculation of regional averages. In general, average sawtimber prices moved higher except pine sawtimber in central Mississippi which moved down a bit. All in all, however, prices are good.

This time of year we usually see erratic timber prices as buyers in need of logs or standing inventory post high prices for good stumpage. One reporter commented that his firm works hard to stay out of the position where they have to pay top dollar for standing timber this time of year. "That's because it seems there is always someone that comes along and bids the price up in winter sales" he said.

Delivered log prices (gate prices) for pine sawlogs in the south averaged 446/MBF,D compared to \$436/MBF,D for standing pine sawtimber! These figures reflect 2 different markets: "gate logs" and stumpage. A common "rule of thumb" says that average logging and transportation costs are between \$80-\$100/ MBF. So we expect to see a difference between Standing and delivered timber prices in that range. That's not shown in our figures this period. "Gate prices" reported by some mills are the prices the mills will pay to non-contract loggers that bring wood to sell unexpectedly. Mills offer lower prices for these logs because the wood is not needed as badly as the logs they have contracted for. If we applied an average logging/transportation cost of \$90./MBF to stumpage prices for pine sawtimber in the South region would be in the \$526/MBF range for delivered timber.

Lumber prices were reported as steady on the hardwood side and a bit lower at the end of December for pine. Hardwood mills reported that oak lumber prices were good but that lumber inventory was moving slowly. The lumber market for soft hardwoods like poplar and gum has been relatively good and steady compared to earlier in the summer and fall.

Woods conditions remained very wet and this contributed to the price situation. No Southern pine beetle problems were reported this period anywhere in the state.

Pulpwood

The paper industry continues to improve and pulpwood prices remain steady. Pulpwood yards throughout the state reported demand for pulpwood strong and no quotas in force.

Other Comments

The pole market was reported strong with prices near record levels.

A one-day, CFE course for foresters titled "Forest Economics Today: A Refresher for Practicing Foresters" will be held February 20 in Tupelo and February 21 in Brandon. The registration Fee is \$100. and the course has 6.5 CFE credits approved. To register or for information call Extension Forestry at 601-325-3150.

This issue contains graphs showing hardwood and pine sawtimber prices for the past two years.

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DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER¹

	<u>North</u>		<u>Central</u>		<u>South</u>		<u>Delta and River</u>	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	203-450	354**	288-540	350*	322-546	436	300-400	340
Chip-n-saw pine	58-63	61*	50-75	64	75	75	-	-
Poles (pine)	-	-	-	-	650-700	675	-	-
Mixed hardwood sawtimber ²	100-200	156	100-200	135	60-200	128	60-153	108
Oak sawtimber	210-270	243	200-260	216	225-300	258	223-300	249
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	20-45	31.50	15-30	22.50	12-30	21.00	13-30	22.00
Hardwood pulpwood	10-25	14.50	9-30	15.75	8-11	9.00	5-15	13.50

DELIVERED PRICES⁵

	<u>North</u>		<u>Central</u>		<u>South</u>		<u>Delta and River</u>	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	340-405	389	335-470	405	400-485	446	-	-
Chip-n-saw pine	-	-	90-110	95	88-104	99	-	-
Poles (pine)	-	-	-	-	60/T*		-	-
Mixed hardwood sawtimber ²	175-240	220	215-275	230	225-275	258	170-300	205
Oak sawtimber	280-329	318	-	295*	-	-	365-450	395
Other hardwood sawtimber	-	-	-	-	-	-	200-400	**
Pine pulpwood	45-65	54	40-54	49	45-47	46.00	-	47*
Hardwood pulpwood	35-55	48.00	38-52	41.50	36-38	36.75	-	43*

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.

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