



Mississippi Timber Price Report

Department of Agricultural Economics • Department of Forestry

Box 9681
Mississippi State, MS 39762

January/February, 1999

MISSISSIPPI TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

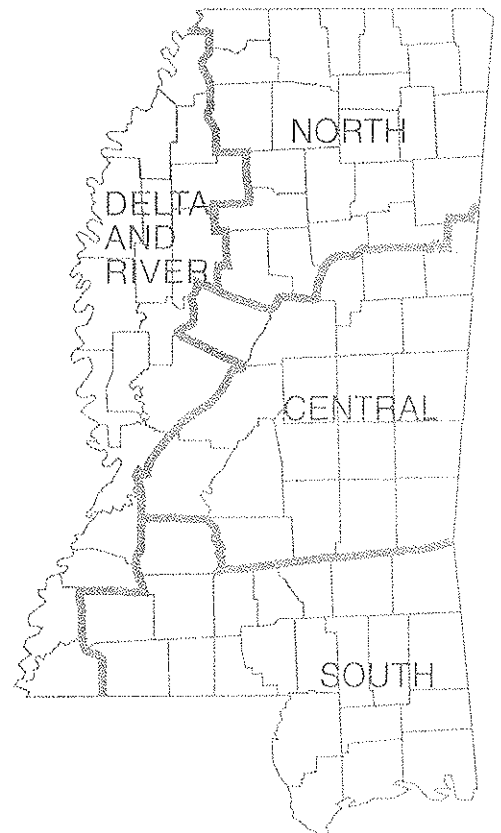
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Mississippi State University Extension Service to provide an accurate picture of timber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



3. TIMBER MARKET COMMENTS

Sawtimber

Standing timber markets were just fair in January/February, but were improving toward the latter part of February.

Winter logging tracts were in greatest demand as is normal for this time of year. Several reporters commented that mills in their areas had delayed buying standing timber for a few months this fall and now were getting interested again. The pine lumber market had trended up during the early part of the year giving some optimism to lumber producers. Though the number of sales this period were lower, most sales reported throughout the state were attracting from 4-8 bids, some as high as 13.

North Mississippi's market seemed to be the slowest. One consultant in north Mississippi reported that he was only offering winter logging tracts in the current market.

Many mills contacted throughout the state reported having satisfactory to good log inventories but were being cautiously optimistic about 1999's lumber market. A few consultants commented that the number of bids they were getting on some "dry weather logging" sales indicated that industry expects an improved market for 1999.

Standing pine sawtimber prices held steady to a bit lower in January/February.

On the hardwood side, the lumber market started the year fair and that market has improved a bit in February. Hardwood lumber demand has been good but prices have been soft. The U.S. hardwood market is still being affected by poor export markets due to the Japanese recession. Accordingly, lumber supplies are reported good. Standing, mixed hardwood sawtimber prices showed some increases and decreases. Oak stumpage was similar with more increases than decreases.

Most hardwood mill reporters commented that their log inventories were good but a few were looking for more logs to carry through until spring. Traditionally, April and May can be the time when hardwood logs get scarce.

Pulpwood

The pulpwood market was described as "dead" by many reporters. The widely-publicized slump in the pulp and paper industry is being felt in Mississippi's pulpwood markets. A few Mississippi pulp mills have taken down time to use the market slump to do mill maintenance in early winter.

Mississippi pulpwood standing prices stayed steady in January/February but demand has clearly been down. Consultants and timber buyers alike report that pulpwood is the hardest product to move and hardwood is more difficult than pine.

Pulp and paper industry publications are reporting that there is too much pulping capacity worldwide and that company consolidations and mergers are likely. While this trend is apparently underway other industry analysts see a brighter side. One projection sees short term demand for Southern fiber markets improving due to factors like "robust consumer spending, the indefinite withdrawal of significant container capacity and a weakening U.S. dollar." As one reporter put it "there's no where to go but up when you're at the bottom."

Other Comments

A few reporters mentioned seeing more southern pine beetle damage in north Mississippi than previously. They speculated that some ice storm damage would attract beetle problems. One hoped southern pine beetle would not become a problem since the pulpwood market is so slow right now. Landowners are advised to check your timber periodically for the southern pine beetle.

The Mississippi Timber Price Report is now available on the World Wide Web. It can be accessed through the Mississippi State University Extension Service Homepage at <<http://www.ext.msstate.edu>>. Select "Agriculture and Natural Resources" then select "Forestry" and then "Timber Prices." Current price reports are available and other price data is being added.

Anyone can get copies of the Mississippi Timber Price Report from the local Extension office. For the latest timber prices, call your County Extension Office or to get on the mailing list, contact Extension Forestry, at Box 9681, Mississippi State, MS 39762

As always, your comments, pro and cons are welcome.

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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	339-599	431	350-489	445	410-517	460	398-475	452
Chip-n-saw pine	85-120	89	75-85	81	82-95	89	-	-
Poles (pine)	-	-	-	-	-	750	-	-
Mixed hardwood sawtimber ²	150-200	177	100-250	190	140-220	192	145-192	158
Oak sawtimber	300-476	321	234-400	274	250-410	286	270-435	391
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	22-38	30	25-30	26	26-34	29	18-36	24
Hardwood pulpwood	11-26	18	9-17	13	11-20	17	11-24	16

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	470-505	495	475-520	510	480-520	508	-	-
Chip-n-saw pine	-	-	85-100	92	85-110	98	-	-
Poles (pine)	-	-	-	-	-	68/T	-	-
Mixed hardwood sawtimber ²	200-270	250	240-295	270	230-285	275	220-300	249
Oak sawtimber	340-420	385	360-435	407	350-415	370	370-465	448
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	24-45	40	30-46	40	27-46	42	25-39	34
Hardwood pulpwood	30-41	32	25-33	31	25-40	31	22-36	30

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.

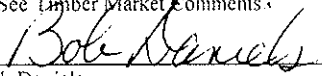
³"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum

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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