



MCES Timber Price Report

Agriculture Economics Department
Extension Forestry Department

P. O. Box 5446
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March/April 1990

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

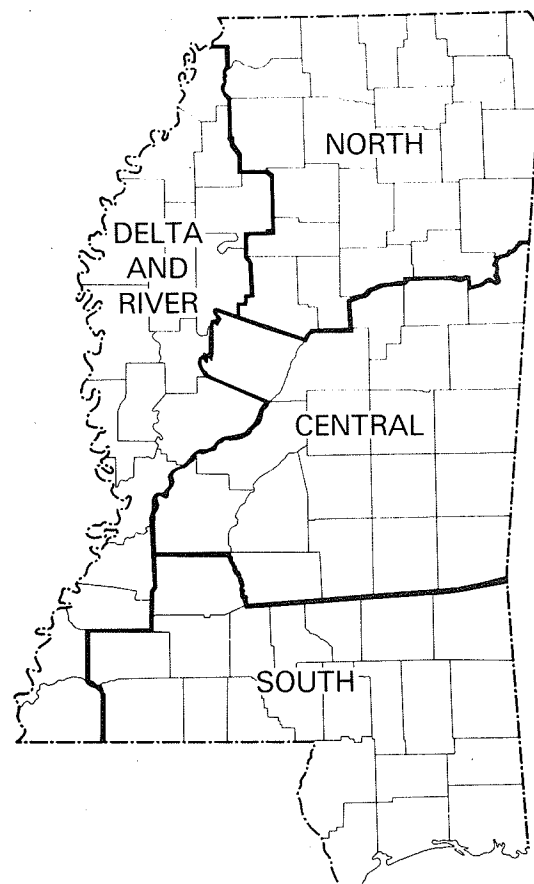
The MCES Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four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

Rains continued to slow logging activities throughout the state in March/April. Prices apparently peaked in early April with logging conditions generally improving in late April. A few mills continue to have log inventory problems but most mills report that business is normalizing. Prices reported for March/April, however, remained erratic and generally high. Several reporters commented that the high prices were good for some landowners but were higher than was good for the industry. One reporter described the market in his area of South Mississippi as being one of "panic buying with firms scrambling 100 to 150 miles to find timber to keep the mills running." However, several reporters commented that as weather conditions normalize timber prices should move lower and buyers seem more assured that procurement would not be so hectic in the near future. Many buyers were purchasing only what they needed to keep log inventories adequate during March and April, so readers should realize that the prices reported are for accessible timber that could be logged immediately. One reporter commented that his firm had about a weeks worth of log inventory on the mill yard but 15 weeks still standing on tracts already purchased. His company would ease off purchasing timber for a while after logging conditions improve to use the timber they already own.

Many hardwood mills reported lost time and low inventories since most hardwood timber is located in low, wet bottomlands. The hardwood market continued erratic, in general, with stumpage prices a little higher. March and April can be the most difficult time for hardwood log inventories because logging conditions are still too wet to harvest bottomland timber and stored logs are running low. Delivered oak prices in the Delta and River region averaged \$287/MBF,D with ash prices averaging \$338/MBF,D. Very little ash can be reached during the wet season so the higher prices represent a small volume. Increasing demand and low supplies pushed poplar sawtimber stumpage to over \$200/MBF at some mills. The hardwood lumber market held steady in March/April with several mills commenting that they could sell all they were cutting.

Both pine and hardwood buyers commented that late in April they were beginning to see the market get active with many timber sales being offered. They speculated that landowners were responding to higher prices from the winter.

Average delivered pine sawtimber prices in the southwest were \$262/MBF with standing prices averaging \$239/MBF. In the southeast, reported prices averaged \$295/MBF for delivered pine logs and \$252/MBF stumpage.

Pulpwood

Pulpwood prices in March and April were mixed with some standing pulpwood regional averages falling slightly and others remaining steady. Average delivered prices for pulpwood were down throughout the state except for the Delta. Most reporters were on quota and were expecting

demand for pulpwood to slow further. At least two pulp mills were shut down for maintenance in late April that also contributed to lower pulpwood demand. Several reporters commented that they expected the pulpwood market to get tighter as harvesting conditions improve and the supply of pulpwood increases.

Other Comments

One reporter commented about the, "greater uncertainty among loggers in south central Mississippi since the acquisition of Leaf River Forest Products by Georgia Pacific." He said "what made it so uncertain was the lack of information being given the timber suppliers. We've been doing business for several years with these companies and right now don't know where we stand." He hoped the situation would settle out soon. "It's hard to plan when you're not sure where you stand" he said, "I'm looking for a job right now."

Trends in sawtimber prices over the past year are depicted in the area charts attached to this monthly issue.

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	124-256	189	155-340	224	190-336	246	-	-
Chip-n-saw pine	37-40	38.50	32-41	35.75	-	-	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	60-146	104	70-125	91	75-100	89	70-125	97
Oak sawtimber	100-150	130	-	-	-	-	220-350	260
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	8-15	12.50	8-18	11.75	11-20	14.75	-	-
Hardwood pulpwood	4-12	8.75	4-15	8.25	8-18	11.25	4-7	5.50

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	240-250	245	255-300	265	225-325	278	-	-
Chip-n-saw pine	57-70	63.50	57-73	66	60-78	67.50	-	-
Poles (pine)	-	-	-	-	-	42/T*	-	-
Mixed hardwood sawtimber ²	153-200	183	170-200	195	170-210	191	120-200	158
Oak sawtimber	-	-	-	250*	-	-	255-375	287
Other hardwood sawtimber	-	-	-	-	-	-	120-400	-
Pine pulpwood	34-52	40.50	36-45	39.50	36-38	37.50	-	47.00*
Hardwood pulpwood	29-43	36.25	30-43	35.25	30-35	32.50	36-38	37.00

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, 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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