

## **Forest Resources**

## Market Notes • Technical Notes • Research Notes • Newsletters

**July 1995** 

## 1994 Harvest of Forest Products

Mississippi's forest industry (including private landowners and harvesting crews) harvested and delivered more than \$1.07 billion worth of forest products to mills and other processors in 1994. The total value of Mississippi's timber harvest delivered to the first point of processing (such as a pulpwood yard or sawmill) was \$1,078,747,371. This harvest value is 5.7 percent higher than 1993 and is another new, all-time high harvest value for Mississippi forestry. It is the second consecutive year that the value of Mississippi forestry has exceeded one billion dollars. The recent trend of increasing timber values has continued in 1994, though the rate of increase has slowed from the 26 percent value increase from 1992 to 1993. The new record marks the seventh new all-time high production value for Mississippi forestry in the past eight years.

Timber was the most valuable agricultural commodity in Mississippi in 1994. Preliminary figures show that poultry and eggs ranked second with a value of \$1.04 billion and cotton was third with about \$900 million. Mississippi landowners collected more than \$766 million for their standing timber in 1994 and the logging/transportation segment of the industry was valued at \$312,575,500.

Severance tax collections on timber were less than 1 percent higher than in 1993. Total timber severance tax collections for 1994 were \$4,150,978. Twenty percent of the timber severance tax collections, or about \$830,196.00 was returned to the counties where the timber was harvested. Eighty percent, or about \$3,320,782.00 went to the Forest Resource Development Program (FRDP) to provide cost-share funds to Mississippi's private, nonindustrial forest landowners for reforestation and other forest management practices. The FRDP fund was established in 1974 and helps ensure that part of the value of harvested timber in Mississippi is reinvested in forests for the future.

The value of Mississippi's timber harvest in 1994 increased 5.7 percent. This increase is much less than the 26 percent increase between 1992 and 1993. The volume of most products remained fairly steady. A few increased slightly while other decreased slightly. The estimated value of the 1994 timber harvest is shown in Table 1. A comparison of timber harvest volume and value for 1993 and 1994 by product categories is given in Table 2. Table 3 compares major product prices by region for 1993 and 1994.

The value of Mississippi's timber continued to rise in 1994. The volume of harvested products however, remained relatively flat, except most notably poles which increased 7.5 percent, crossties which increased 13 percent, and Christmas trees that increased 10 percent. The changes in stumpwood and turpentine

gum, while large by percent are insignificant. Pine sawlogs increased about 1 percent, but pine plywood logs and pulpwood volumes decreased 1.1 percent and 3.5 percent, respectively. Except for crossties, hardwood product volumes decreased slightly in all categories. Hardwood sawlog volume decreased 1.7 percent, hardwood pulpwood declined 1.4 percent, and hardwood veneer log volume decreased .5 percent. Though several of these products decreased in harvest volume, the decreases are small and volume of forest products harvested are close to 1993 levels.

The major influences in 1994 were pine sawtimber prices. While volume harvested stayed relatively flat, increased prices pushed pine sawlog value up 20 percent and pine pole value up 7.5 percent. Hardwood log values generally declined, except for hardwood veneer logs (highest quality logs) which increased 39 percent and the value for crossties increased 23 percent. Hardwood sawlog value decreased 14 percent from 1993 levels due to lower volumes and lower prices.

Pulpwood harvest levels were lower in 1994, but prices remained steady to a bit higher which eased the decline in value. Standing prices for pulpwood increased in most areas of the state as did delivered pulpwood prices. A notable situation was pine timber damage in north Mississippi which suffered a severe ice storm in February 1994. The regional volume of harvested pine pulpwood increased 3.4 percent, but the hardwood pulpwood harvest volume decreased 1.3 percent. In the worst hit counties such as Lafayette, Prentiss, Tishomingo, and Calhoun the pine pulpwood volume harvested increased 54, 52, 25, and 20 percent respectively, as a result of the ice damage.

Price increases were again important in 1994 as they were in 1993. Intensifying demand in the southern region for forest products continued to push timber prices up. This was especially true for pine. Standing prices for pine sawtimber increased 15 to 25 percent depending on the region of the state while delivered prices increased 9 to 13 percent. Pine pulpwood standing prices increased 4 to 9 percent except in central Mississippi where they declined nearly 6 percent. Pine pulpwood delivered prices increased in all regions except in ice damaged north Mississippi. On the hardwood side, both standing and delivered pulpwood prices rose generally with the exception of slight declines in delivered prices in north and central Mississippi. The largest decline in prices was for hardwood sawlogs. Standing hardwood sawlog prices declined in all areas of the state, except in north Mississippi where they increased 3 percent. Delivered hardwood sawlog prices declined in all regions, except in the Delta.

The hardwood sawlog market remains interesting and dynamic as always. As is noted in footnote 2b of Table 1, the hardwood sawlog prices reported here is a composite of mixed hardwood and oak prices. In 1994, the price trends in mixed hardwood log prices and oak log prices were different from 1993. While in 1993, oak sawlogs were increasing and mixed hardwood logs were declining. In 1994, just the opposite occurred. In 1994, oak sawtimber standing and delivered prices declined in all regions except delivered prices in the Delta. Standing mixed hardwood log prices increased in all areas of Mississippi except in the central region while delivered mixed hardwood log prices were lower statewide. These figures reflect the trend of substitution of hardwood species in the hardwood markets in 1994.

As oak lumber prices went higher in late 1993 and early 1994, increasing substitution began increasing prices for other species. However, there was also a softening of domestic hardwood lumber markets in 1994 due to oversupply of logs that decreased price and volume. Oak still remains the preferred species in the furniture, flooring, and other hardwood markets, but increasing substitution is occurring. After a pause to absorb excess production oak prices can be expected to move up again in the future.

Markets for Mississippi forest products and timberland remain good. The southern region continues to play an important role in domestic wood products supply and is expected to do so for the foreseeable future. Controversy over northwest federal forests continues placing additional value on southern (and Mississippi) timber, especially pine. Export demand for Mississippi's forest products is also important and growing. Many more Mississippi forest products companies are exporting now than just 10 years ago. This is adding steam to the increasing value of our forests. In late 1994, the paper industry began a strong recovery from nearly a 4-year slump. Demand for pulpwood began to rise and market pulp prices increased worldwide for the first time in several years. This trend should boost Mississippi's pulp industry into 1995.

In addition to the increasing value of Mississippi's forest products, southern timberland is also becoming a notable investment opportunity. In the past 10 years the most significant new ownership group of southern timberland is institutional investors, such as insurance companies, pension funds, banks, and other financial groups. They have recognized the increasing value and are attracted by the stable long-term nature of the investment. This trend by investment professionals in forestry should motivate private forest landowners to learn more about their own forest land and manage it as a significant family asset.

Table 4 shows the timber severance tax harvested volumes of forest products within the Mississippi Timber Price Report regions for 1994.

For more information on timber marketing procedures and timber prices, contact your county Extension office or Mississippi State University, Department of Forestry, P.O. Box 9681, Mississippi State, MS 39762.

Sincerely,

Bob Daniels Extension Forester



Table 1. Estimated Value of the 1994 Timber Harvest

		Price/	Vnit <sup>1</sup>		V	alue
Product	Unit	Standing	Delivered	Volume	Standing	Delivered
		Dol	lars		Do	llars
Sawlogs - Pine - Hardwood	MBF,D MBF,D	·	2	986,324 410,893	356,079,902 77,973,737	394,663,337 110,810,709
Pulpwood - Pine - Hardwood	Cords Cords		3	4,493,629 3,496,072	95,518,556 47,957,277	216,821,881 148,257,559
Poles - Pine	MBF,D	504.25 <sup>4</sup>	606 <sup>4</sup>	37,721	19,020,814	22,858,926
Plywood Logs - Pine	MBF,D	396.50 <sup>4</sup>	414.25 <sup>4</sup>	378,442 <sup>11</sup>	150,052,253	156,769,599
Hardwood Veneer Logs	MBF,D	647 <sup>5</sup>	7745	22,853	14,785,891	17,688,222
Crossties - Hardwood	MBF,D Tie <sup>6</sup>	129.25	12 <sup>5</sup>	15,779 353,548	2,039,436	4,242,576
Stumpwood	Tons	55	62 <sup>5</sup>	20,801	104,005	1,289,662
Turpentine Gum	Barrel		100 <sup>5</sup>	649	1 · · · · · · · · · · · · · · · · · · ·	64,900
Christmas Trees <sup>7</sup>	Tree <sup>8</sup>	129	24 <sup>10</sup>	220,000	2,640,000	5,280,000
TOTAL VALUE		M.244			766,171,871	1,078,747,371

<sup>&</sup>lt;sup>1</sup>Regional product prices taken from the Mississippi Timber Price Report, except where otherwise noted.

<sup>3</sup>Pulpwood Prices by Region, \$/Cord

	Stand	ing	 Delive	red		Sta	nding	Delive	red
Region <sup>a</sup>	Pine	<u>Hardwood<sup>b</sup></u>	Pine	Hardwood <sup>b</sup>	Region <sup>a</sup>	Pine	<u>Hardwood</u>	<u>Pine</u>	Hardwood
North	334.25	191	 369.75	287	North	28.25	15 - 3 - 3 - 3	52.75	48.25
Central	373.50	182.25	409.25	279.25	Central	20.25	15.25	47.50	40.50
South	384.75	216	410.75	274.75	South	18.50	11	46.25	38
Delta/River	384.75 <sup>c</sup>	252.75	410.75 <sup>c</sup>	330.50	Delta/River	17.50	12	48.75	44

<sup>&</sup>lt;sup>a</sup>Regions are those defined in the Mississippi Timber Price Report.

Regional hardwood sawlog prices = .7 (average regional oak price) + .3 (average regional mixed hardwood price)

<sup>&</sup>lt;sup>2</sup>Sawlog Prices by Region, \$/MBF, Doyle

bHardwood sawlog average prices were calculated using mixed hardwood and oak sawtimber prices from the Mississippi Timber Price Report. The hardwood sawlog average prices are based on the assumption that Mississippi's hardwood sawmills cut 70% oak and 30% other species primarily yellow poplar, and sweetgum in 1994. Therefore, the hardwood sawlog average price for each region was calculated using the following formula:

<sup>&</sup>lt;sup>c</sup>Southern region pine price used. Most pine in Delta/River region comes from southwestern counties.

Prices from Timber Mart South.

Price estimates by consultation with industry contacts.

Calculated as 44.63 board feet per 7" x 9" x 8.5' tie.

Estimate in cooperation with the LA-MS Christmas Tree Association and individual growers.

<sup>&</sup>lt;sup>8</sup>The average Christmas tree is assumed to be 6 to 8 feet tall.

<sup>&</sup>lt;sup>9</sup>Standing price is the estimated average wholesale Christmas tree price to growers.

<sup>10</sup> Delivered price is the estimated average price paid for a "choose and cut" Christmas tree.

<sup>&</sup>lt;sup>11</sup>Plywood and hardwood veneer log volumes estimated by veneer mill survey and consultation with industry contacts.

Table 2. Comparison of 1993 and 1994 Harvest Volume and Value by Product

	19	93			1994	
Product/Unit	Volume	Value	Volume	%Change		- % Change
Pine Sawlogs, MBF,D	977,789	328,713,720	986,324	0.9	394,663,337	20.1
Hardwood Sawlogs, MBF,D	418,184	128,827,563	410,893	-1.7	110,810,709	-14.0
Pine Pulpwood, Cords	4,657,160	219,342,641	4,493,629	-3.5	216,821,881	-1.1
Hardwood Pulpwood, Cords	3,547,150	152,074,740	3,496,072	-1.4	148,257,559	-2.5
Plywood Logs, MBF,D	382,567	153,600,651	378,442	-1.1	156,769,599	2.1
Poles, MBF,D	35,105	16,499,350	37,721	7.5	22,858,926	38.5
Hardwood Veneer Logs, MBF,D	22,749	12,682,567	22,853	0.5	17,688,222	39.5
Crossties, Delivered, Ties	312,794	3,440,734	353,548	13.0	4,242,576	23.3
Stumpwood, Tons	9,608	595,696	20,801	116.5	1,289,662	116.5
Turpentine Gum, Barrels	2,525	252,500	649	-74.3	64,900	-74.3
Christmas Trees, Tree	200,000	4,800,000	220,000	10.0	5,280,000	10.0
TOTAL		1,020,830,162			1,078,747,371	5.7

<sup>\*</sup>Value delivered to the first point of processing

Table 3. 1993 Versus 1994 Major Product Price Comparison by Region

Product/Unit	Davis	19	93		199	4	
	Region	Standing	Delivered	Standing	% Change	Delivered	% Changed
Pine Sawtimber, MBF,D	North	289.50	338.50	334.25	15.5	369.75	9.2
	Central	304.25	360.00	373.50	22.8	409.25	13.7
	South	305.75	360.75	384.75	25.8	410.75	13.9
	Delta/River	305.75	360.75	350.75	14.7	410.75	13.9
Hardwood Sawtimber, MBF,D	North	185.25	299.75	191.00	3.1	287.00	-4.3
	Central	204.50	302.50	182.25	-10.9	279.25	-7.7
	South	239.00	308.25	216.00	-9.6	274.75	-10.9
	Delta/River	254.25	321.00	252.75	-0.6	330.50	3.0
Pine Pulpwood, Cords	North	25.75	55.00	28.25	9.7	52.75	-4.1
	Central	21.50	46.25	20.25	-5.8	47.50	2.7
	South	17.75	43.50	18.50	4.2	46.25	6.3
	Delta/River	16.00	48.25	17.50	9.4	48.75	1.0
Hardwood Pulpwood, Cords	North	15.00	48.50	15.00	0.0	48.25	-0.5
	Central	14.00	43.00	15.25	8.9	40.50	-5.8
	South	9.25	36.00	11.00	18.9	38.00	5.6
	Delta/River	8.50	43.25	12.00	41.2	44.00	1.7

Table 4. 1994 Harvested Volumes By County and Product

County	Pine Lumber MBM	Hardwood Lumber MBM	Pine Sawlogs MBF,D	Hardwood Sawlogs MBF,D	Pine Pulpwood Cords	Hardwood Pulpwood Cords	Pine Poles C CU FT	Stumpwood Tons	Turpentine Gum Barrels	Crossties MBF,D	Other MBF/Cords
Northern Region											
Alcom	5267.25	690.42	6331.29	1958.08	52352.16	39514.13	11.65			976.81	
Benton	889.31	2.62	5007.45	2690.18	8576.80	32599.46	167.82	3036.08		0.00	
Calhoun		241.05	13627.50	3942.10	45829.20	42756.48	0.00			659.49	
Carroll	2751.06	883.43	9700.34	4653.92	74570.93	60269.55	209.43	0.00		154.14	
Chickasaw		302.71	7860.19	3051.56	29452.93	19692.80				488.98	3.64
Clay	118.52	233.18	3617.48	3173.42	22323.10	24859.37	6.22		00.00	66.54	10.96
Desoto	0.00	30.58	388.98	2547.22	6384.23	2984.04					
Grenada		633.56	6774.88	3888.22	40330.46	73230.13	53.81			26.38	
Itawamba	653.12	11.00	8453.38	7024.69	37908.70	79572.48					562.51
Lafayette	274.82	6.42	22144.25	4509.22	163896.23	38869.77	702.68			1106.88	
Lee	33.14	907.00	5715.48	746.53	12061.13	15700.48	53.50			69'9	00.00
Marshall	385.74		8696.65	3148.81	52418.03	62137.02	0.00			6.48	
Monroe	18.24	1551.73	9965.42	5935.28	26894.46	79310.53	11.21			1327.11	102.61
Montgomery	1222.00	3305.70	5075.17	1167.40	44228.16	63323.73	264.38			1719.52	-
Panola	The state of the s	139.00	8219.20	5642.25	30612.86	23406.22				181.92	
Pontotoc	62.00	183.61	9644.70	4989.86	33244.96	43221.11	64.61			122.60	3.31
Prentiss	3052.96	36.37	9456.94	5655.14	46039.80	52263.06	0.00			2159.14	34.66
Tate	0.00		1111.92	1714.44	2565.36	5055.55					
Tippah	2812.41	884.74	9557,54	3465.16	63452.76	49076.31	126.88	0.00		1098.24	
Tishomingo	1162.94	0.00	11720.59	4579.05	72675.93	46454.88			-	279.14	
Union	244.01	58.26	8189.94	4524.37	20521.96	23154.75	0.00			0.00	2.82
Webster		107.56	7416.24	2281.10	51456.73	41776.13	20.48	00'0		1638.28	
Yalobusha		71.26	12624.18	3859.58	52090.96	18719.91	24.10	1501.68		362.13	
TOTAL	19307.52	10280.20	191299.71	85147.58	989887.84	937947.89	1716.77	4537.76	00:00	12380.47	720.51

Table 4. 1994 Harvested Volumes By County and Product

County	Pine Lumber MBM	Hardwood Lumber MBM	Pine Sawlogs MBF,D	Hardwood Sawlogs MBF,D	Pine Pulpwood Cords	Hardwood Pulpwood Cords	Fine Poles C CU FT	Stumpwood Tons	Turpentine Gum Barrels	Crossties MBF,D	Other MBF/Cords
Central Region											
Attala	89.6	0.00	16872.65	3902.93	101627.50	60679.20	297.96			92.31	124.89
Choctaw		47.72	17348.08	1872.12	90263.73	56535.33	308.60			37.08	330.74
Clarke	89.666	2599.22	29149.44	7074.18	162022.66	1435.45	46.08	·		,	
Hinds	0.00	104.71	16597.31	12564.12	31987.06	75519.95				-	
Holmes		195.68	11562.47	8554.32	54770.40	116155.06	92.91			310.43	
Jasper	21.37	92.22	30873.07	8944.42	121932.56	72995.91	717.86	77.32			
Kemper	469.20	1847.04	38843.34	3623.98	195513.00	104493.20	643.18	3296.64		1.60	150.94
Lauderdale	2435.18	1703.60	39446.09	4426.09	118859.06	100738.84	1647.29				85.34
Leake		939.86	20648.46	7644.46	79841.76	73753.68	674.11			5.56	-
Lowndes	455.84	12.65	8251.45	3626.96	16200.33	41663.11	3.71			18.25	
Madison		0.00	34728.65	4513.80	37450.33	37889.24	86.3				
Neshoba		323.28	33963.91	3360.17	75271.90	80.86988	692.22			315.41	368.28
Newton	0.00	235.50	29632.12	4433.56	70001.20	66778.62	1286.46			0.00	12.64
Noxubee		662.38	20980.78	4711.74	47392.33	35819.95	1080.62			376.21	
Oktibbeha	36.46	79.22	7641.66	1758.74	24888.20	24009.02	70.74			2199.06	738.56
Rankin	0.00	125.74	42681.69	8338.66	72650.86	64953.73	566.64	t'		0.00	
Scott	0.00	933.26	33649.40	5499.06	57002.90	48441.77	204.81				-
Simpson		17.41	31874.42	3812.89	74108.43	57027.73	139.70	1		1.38	
Smith	00.00	205.06	41744.55	3988.72	101334.20	59831.37	178.56			7.65	
Winston		525.52	33144.85	10154.32	76457.46	63161.28	0.00				86.64
TOTAL	4427.41	10650.07	539634.39	112805.24	1609575.87	1250580.52	8657.83	3373.96	0.00	3364.94	1898.03

Table 4. 1994 Harvested Volumes By County and Product

County	Pine Lumber MBM	Hardwood Lumber MBM	Pine Sawlogs MBF,D	Hardwood Sawlogs MBF,D	Pine Pulpwood Cords	Hardwood Pulpwood Cords	Pine Poles C CU FT	Stumpwood Tons	Turpentine Gum Barrels	Crossties MBF,D	Other MBF/Cords
South Region											
Amite		34.09	63334.17	6780.38	116752.66	68569.33	-				
Copiah	62.33	13.98	34865.24	8723.72	93933.63	107946.35	93.73			99:9	
Covington	0.00		14136.92	2519.92	41375.33	28821.15	1381.16	40.00			
Forrest			16216.61	1187.46	51617.30	17801.02	5131.02	00'0			
Franklin	0.00	18.74	54372.03	6222.38	51348.80	49376.84	215.32				
George		57.18	10270.60	204.14	50933.76	18870.08	1174.70	÷			·
Greene	251.58	00.0	24788.48	4124.80	85974.40	52522.35	4713.21	153.44		18.32	0.00
Hancock ·		00:00	12:0066	184.60	66071.88	12740.88	1056.24				
Harrison			14921.81	34.02	86742.63	7240.04	11486.56	46.72	00.0		
Jackson		0.00	11503.03	707.81	82572.46	6715.02	2478.67	246.40			
Jeff Davis	71.64		11870.30	1636.14	45585.20	14179.82	147.26				
Jones		60.54	33280.20	6311.05	84773.90	57227.20	3635.98	113.04		5.78	3.32
Lamar			10376.55	1868.49	58103.30	25197.68	4056.89	4490.16			
Lawrence		0.00	29039.47	7359.48	81190.60	64173.46	919.55		·		
Lincoln		34.49	43265.59	4019.81	133394.96	75748.35	649.84				
Marion			19759.46	60.9809	48922.50	37023.24	1049.47	٠	1	0.00	
Pearl River			26777.23	1954.01	108472.56	34791.55	2603.18	6846.36		j	00.00
Репу		11.77	26092.34	95'899	57558.66	17118.57	11952.29	00.0	00.0		
Pike		27.12	28035.34	4329.06	77085.66	38481.20	77.72				
Stone			15784:53	216.41	103876.76	23785.77	4373.54	925.40			
Walthall			15769.36	3488.36	47077.86	25563.77	160.12	1.5			
Wayne	810.89	2.61	26565.59	2451.66	163291.60	84345.91	590.01	0.00			
TOTAL	1196.44	260.52	540925.56	71078.35	1736656.41	868239.58	58036.51	12861.52	0.00	30.76	3.32

Table 4. 1994 Harvested Volumes By County and Product

County	Pine Lumber MBM	Hardwood Lumber MBM	Pine Sawlogs MBF,D	Hardwood Sawlogs MBF,D	Pine Pulpwood Cords	Hardwood Pulpwood Cords	Pine Poles C CU FT	Stumpwood Tons	Turpentine Gum Barrels	Crossties MBF,D	Other MBF/Cords
Delta/River Region	ion										
Adams	428.20	797.29	9089.58	12893.94	7734.00	49430.66			63.00	-	·
Bolivar			108.10	11502.33	5350.43	3743.37	0.00	28.00	510.50		
Claiborne		6.81	6978.15	18056.74	12549.16	41053.37	159.09				
Coahoma			83.43	2280.49	10.46	8630.17			0.00		**
Humphreys		00.00		1025.68	249.60	271.20					
Issaquena		-	22.78	9232.78	23.83	34798.71					
Jefferson	00:00	141.98	27400.88	11884.69	47562.43	72855.24					
Leflore		00:0	00.00	2350.12	662.10	5770.84					
Quitman			49.67	178.40	73.66	290.80	0.00				
Sharkey			6.16	545.02	26.76	4171.06					
Sunflower			99'5	00:0	1139.13	167.20					
Tallahatchie		9.73	2262.28	4680.38	10764.40	9587.15	13.75			2.66	: .
Tunica		187.88	00:00	2539.10	371.03	2753.64					
Warren		7.09	3381.89	29658.36	2985.73	50145.06					
Washington			57.87	7079.24	166.06	1291.77					
Wilkinson	0.00	716.98	26512.90	13674.20	62780.50	101128.22					
Yazoo	0.00	180.48	3760.25	19704.64	5059.46	53215.42	-		75.46	00'0	
TOTAL	428.20	2048.24	79719.60	147286.11	157508.74	439303.88	172.84	28.00	648.96	2.66	00.0
GRAND	25359.57	23239.03	1351579.26	416317.28	4493628.86	3496071.87	68583.95	20801.24	648.96	15778.83	2621.86