Mississippi State University Extension Service

Mississippi Timber Price Report

Department of Agricultural Economics • Department of Forestry

Box 9681
Mississippi State, MS 39762

November/December, 1997

MISSISSIPPI TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

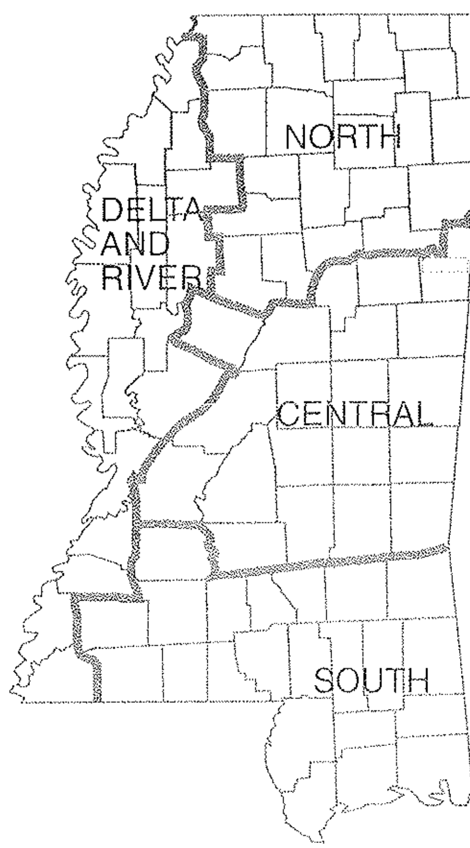
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Cooperative Extension Service to provide an accurate picture of timber market activity.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



3. TIMBER MARKET COMMENTS

Sawtimber

Log supply and watching the weather were the main concerns of industry during November/ December. Lumber markets for both pine and hardwood remained steady with hardwood markets generally better than pine. Lumber markets were good through 1997 and many mills reported that 1998 could also be a good year.

Steady markets for lumber kept log supply a "front burner" issue for most buyers. Most sales were generating plenty of interest and competition for winter logging tracts was fierce. The strong buying activity from September/October carried over into November and December. Several consulting foresters reported having sale bid openings every week up to Christmas. Pine sawtimber average prices moved higher in every area of the state and some reports of standing prices over $600/MBF, Doyle were reported in every region. These prices indicate the continued competition for good tracts that can be logged this winter.

The rains (and snow in some places) kept the woods wet and has slowed logging in most areas of the state, especially central and south Mississippi. Most pine mills contacted reported that log inventories were OK but were below the inventory desired for this time of year. With forecasts for more precipitation than normal ahead many buyers were nervous about inventory prospects, but higher prices were bringing timber to market. Many reporters commented that there was "a good bit of timber on the market." One buyer remarked that "some landowners are getting smarter. They're saving their winter logging tracts and offering them in the fall when this type tract is at a premium."

A report of $274/MBF,D for standing spruce pine was given from Central Mississippi.

On the hardwood side lumber markets were reported improving. One mill contact mentioned that red oak lumber prices had moved up in late 1997. Standing average prices for oak sawtimber moved higher in every region except the Delta/River where prices held steady. Most hardwood mills reported acceptable log inventories but some were worried about later in the spring. One reporter commented that he expected markets for hardwood lumber to be good into early 1998 and that the mills that have lumber to sell should be in a good position. He mentioned that housing starts were good all through 1997 and the demand for hardwood products, like furniture, should last into next year. Housing starts finished 1997 at about 1.47 million units.

One reporter mentioned that Paulownia log markets had slowed significantly due to the economic slowdown in Asia. He said that the Japanese economy was also slowing and that is the main market for Paulownia. On another subject, he mentioned that the persimmon log market has "dried up" and that it's now difficult to sell persimmon logs. Apparently, the metal driver has captured the golf club market from wood.

Pulpwood

Pulpwood markets remained good in November/December. Mills continued to build inventory for the winter and buyers were wanting wood.

Pine and hardwood pulpwood prices moved a bit higher or remained steady. Fourth quarter inventories remained low at many pulpmills and that translated into good demand.

In the last report the improved production by the pulp and paper industry was noted. In November, prices for pulp were increased and some analysts predict further increases in 1998. This should keep pulpwood demand steady into next year.

A recent publication ranked the top 10 US pulpmills by consumption of pulpwood. The 9th largest mill was Georgia Pacific's, Monticello, Mississippi mill. Several others on the list draw from Mississippi's forests. Champion International's, Courtland, Alabama mill was #2 on the list. Union Camp's, Prattville, Alabama mill was #7 and the Parson's and Wittemore, Perdue Hill, Alabama mill was #1. These mills help form our pulpwood markets.

Other Comments

Several pole sales were reported in South Mississippi with an average standing price of $632/MBF,D. For landowners with high quality sawtimber poles are a good market. Storms on the West and East coasts this year may spur the pole and piling market higher.

No reports of Southern pine beetle activity were received in November/December. A new regional update should be available in early 1998.

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.ces.msstate.edu>. Select "Agriculture and Natural Resources" then select "Forestry" and then "Timber Prices." Current price reports are available and other price data will be added soon.

Anyone can get copies of the Mississippi Timber Price Report from the local Extension office. The report is now available through the Extension Service, County Computer Network to all County Extension Offices. For the latest timber prices, call your County Extension Office or to get on the mailing list, contact Extension Forestry, at P.O. 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 TIMBER[1]

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	382-555	428	360-545	442	320-595	469	360-490	415
Chip-n-saw pine	-	100	75-89	83	69-115	89	-	-
Poles (pine)	-	-	-	-	450-776	632	-	-
Mixed hardwood sawtimber[2]	180-250	201	130-201	163	110-200	156	90-165	140
Oak sawtimber	180-400	310	290-500	362	170-320	251	220-560	360
Soft hardwood sawtimber[3]	-	-	-	-	-	-	-	-
Rare hardwood sawtimber[4]	-	-	-	-	-	-	-	-
Pine pulpwood	21-45	34.00	20-45	33.00	20-37	31.25	-	23.00
Hardwood pulpwood	20-45	26.50	15-40	20.00	12-25	18.50	15-35	19.00

DELIVERED PRICES[5]

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	440-520	488	490-575	525	485-560	540	-	-
Chip-n-saw pine	-	-	80-121	107	89-125	105	-	-
Poles (pine)	-	-	-	-		-	-	-
Mixed hardwood sawtimber[2]	190-285	270	205-270	239	200-260	225	180-285	230
Oak sawtimber	250-410	390	350-420	400	290-365	340	370-480	420
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	22-60	52	33-65	51	33-59	45.00	23*-53	45.00
Hardwood pulpwood	26-47	40	28-40	35.50	25-47	36.00	26-50	37.00

[1]Prices 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.

[5]Delivered prices are values given at the sawmill or pulpwood yard gate.

*Only one price reported.

**See Timber Market Comments.

Bob Daniels

Bob Daniels
Extension Forester
(601) 325-3150