



# Mississippi Timber Report

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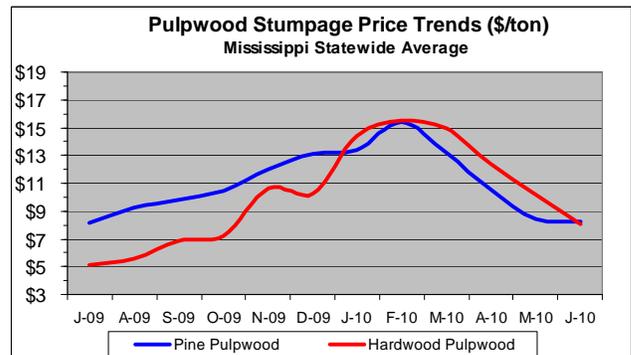
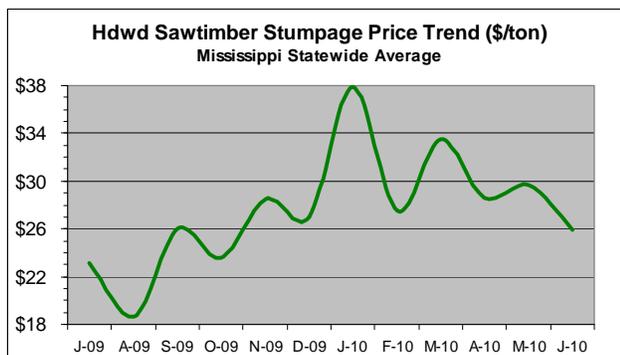
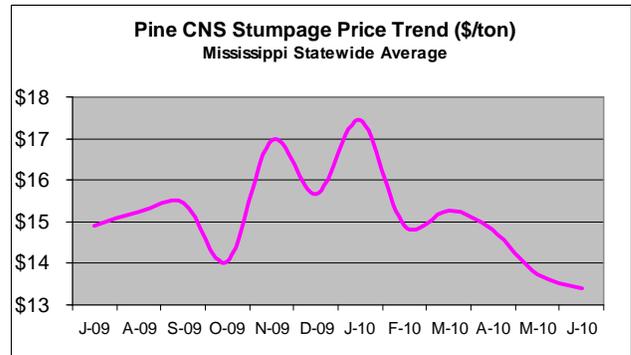
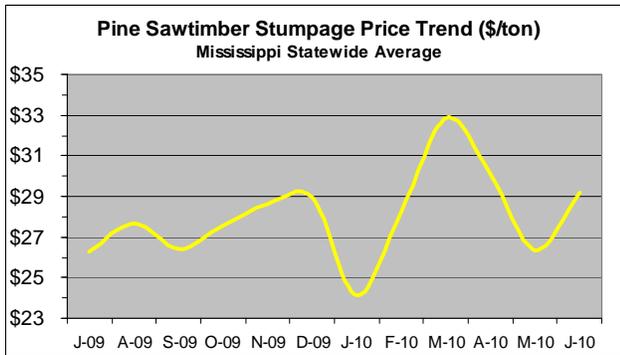
**2nd Quarter  
2010**

**Volume 7  
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Since many variables, such as raw material demand, mill inventories, buyer competition and weather, play key roles in determining local prices, we encourage you to subscribe to our continuously updated online price service at [www.forest2market.com](http://www.forest2market.com) for prices that are specific to your local area.

## MISSISSIPPI STUMPAGE PRICE TRENDS



## MISSISSIPPI STUMPAGE PRICES

### *Pine*



Pulpwood prices saw the biggest decrease this quarter as the market corrected itself after high prices from the winter months. Expect pulpwood price to remain flat in the coming months. Pine sawtimber saw a decrease but stayed relatively flat in comparison to pulpwood. **Pine Pulpwood** decreased \$5.11/ton to end the quarter at **\$9.28/ton** – a 35.5% decrease. **Pine CNS** decreased \$1.43/ton to close the quarter at **\$14.07/ton** – a 9.2% decrease. **Pine Sawtimber** showed a decrease of \$0.09 or 0.3% to end at **\$28.52/ton**.

### *Hardwood*



Hardwood pulpwood experienced a similar price decrease due to the same factors as pine. Hardwood sawtimber saw a decrease across all grades as logging conditions have made it easier for mills to procure wood. As a result, **Hardwood Pulpwood** decreased this quarter \$4.43/ton to close at **\$10.68/ton**. **Low Grade Hardwood** decreased \$2.64/ton to end at **\$21.50/ton**, and **High Grade Hardwood** decreased \$0.28/ton to end at **\$35.42**. **Mixed Hardwood** ended the period at **\$28.58/ton**, \$3.81/ton less than last quarter.

## U.S. SOUTH TIMBER MARKET OUTLOOK

### PINE SAWTIMBER PRICES

The upward trend in sawtimber prices has been interrupted, as housing demand and lumber prices both fell dramatically once homebuyer tax credits expired at the end of April.

- The housing market was also in the throes of recovery through April 2010. In May, however, after the homebuyer tax credit expired, the bottom fell out. New home sales fell by a staggering 32.7 percent in March, more than twice the decline that analysts expected. The Pending Home Sales Index, a leading indicator of existing home sales in the months ahead, crashed in May, falling 30 percent, the lowest ranking since 2001.
- On the week ending January 6, composite southern yellow pine price was \$252.18/MBF. This date marks the beginning of the upward trend in prices. By the week ending April 21, prices reached \$393.73/MBF, a 56 percent increase in less than four months. The week ending April 21 was the turning point for the market, however. Between then and the week ending June 23, 2010, prices fell more than 33 percent to \$263.26/MBF.

### PULPWOOD PRICES

As anticipated, pulpwood prices started to retreat during the last month. Drier weather made it easier for mills to procure wood, and they lowered gate prices as a result. Despite the fact that prices have weakened somewhat, we continue to believe that a new level has been set in the US South. Prices are unlikely to fall back to the lows experienced in early 2009.