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Department of Forestry

**MTN - 26C**

**2010 Harvest of Forest Products<sup>1</sup>**  
**Forest Economics**

**June 2011**

The Mississippi forest industry harvested and delivered \$1.042 billion worth of forest products to mills and other processors over the course of 2010. The forest industry in Mississippi and the harvest volumes in this report include all producers and harvesters of forest products paying a timber severance tax collected by the Mississippi Tax Commission. The total estimated value of the 2010 Mississippi timber harvest delivered to the point of first processing (such as a pulpwood yard or sawmill) was \$1,042,385,916. The estimated volume and value of the 2010 timber harvest by product is presented in Table 1. The 2010 harvest value is 20.5% higher than the 2009 value (See Table 2). This increase in harvest value is mostly attributable to increased pulpwood production (See Table 2). A comparison of 2010 and 2009 Mississippi timber product prices is presented in Table 3.

Timber was the second most valuable agricultural commodity in 2010. Poultry and eggs were the most valuable at \$2.474 billion. Timber was second at \$1.042 billion. Soybeans were third at \$821 million. Mississippi's forest landowners collected \$545 million for their standing timber in 2010, an increase of 28.3% from the previous year. The estimated value of the harvesting and transportation sector<sup>2</sup>, which is the difference between the delivered and standing values, increased 12.7% from the previous year to \$495.9 million. However, the value of the harvesting and transportation sector accounted for 47.6% of the total harvest value as compared with 50.7% of the total harvest value in 2009.

Severance tax collections on forest products were \$3,243,042 in 2010, which is 15.4% higher than 2009 collections. Twenty percent of severance tax collections, or about \$648,608, were returned to counties where the timber was harvested. Eighty percent, or about \$2,594,434, went to the Forest Resource Development Program (FRDP) to provide cost share funds to nonindustrial private forest landowners for reforestation and other forest management practices.

A comparison between 2009 and 2010 harvest volumes and delivered values by product category is presented in Table 2. The harvest volume of pine sawtimber increased by 6%, and its value increased 9.4%. Pine pulpwood volume gained by 19.1% while the value increased 23.7%. Hardwood sawtimber volume increased 24.3%, and its value increased by 21.6%. Hardwood pulpwood volumes increased 20.1%, and its value increased by 36.5%. Christmas tree harvests declined 25% from the previous year and value fell by 120.5%.

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<sup>1</sup> By James E. Henderson, Assistant Extension Professor.

<sup>2</sup> This sector includes logging firms, contractual services, contractual trucking, timber buyers, and wood dealers.

The two primary factors impacting Mississippi's timber markets during 2010 continue to be (1) the depressed U.S. housing market negatively impacting sawtimber demand and (2) a non-typical weather-related supply disruption positively impacting pulpwood demand during the first half of 2010. Due to a lagging economy, high unemployment, and very slow job growth, the U.S. housing market remains in the doldrums which is also exacerbated by very high rates of foreclosure. In short, home construction remained at historically low levels throughout 2010 negatively impacting Mississippi's sawtimber markets; yet, the 2010 harvest volumes for both pine and particularly for hardwood sawtimber were better than 2009 levels. However, these harvest levels and values are historically low for Mississippi and will likely remain low until there is appreciable improvement in U.S. residential construction.

The value of both hardwood and pine pulpwood harvests were the largest gainers for any product category in 2010 as compared with 2009. This is attributable to a very unusual supply disruption that began in the fall and winter of 2009 and continued well into 2010. In evidence of this supply disruption the 2010 standing prices for pine and hardwood pulpwood increased 22% and 19% over the previous year, respectively (Table 3). Recall that the latter half of 2009 experienced non-typical amounts of rainfall. At the same time mills were carrying low inventories of pulpwood since demand for paper products were still low following the impacts of the Great Recession. However, demand for paper products began to improve late 2009 and into 2010. Paper product mills needed to meet this demand to maintain their customer base, yet most mills had very low inventories of pulpwood to meet this increase in demand. So rather than lose their customers these mills were willing to pay almost unheard of prices for available pulpwood. Landowners responded to the higher pulpwood prices, and the 2010 harvest volume for pine and hardwood pulpwood increased by 19.1% and 20.1%, respectively. Pulpwood harvest actually accounted for half of the 2010 total harvest value.

The estimated value of the harvesting and transportation sector accounted for 47.6% of the total harvest value in 2010 amounting to a 6.1% decrease in this proportion over the previous year. This relative decrease in the harvesting and transportation estimated value reflects a greater year over year increase in standing prices as compared with delivered prices in percentage terms for pulpwood and most sawtimber categories. This was particularly significant for pulpwood which accounted for half of the total harvest value.

The past four years were an exceptionally difficult period for the forestry and forest products industry. Future improvement ultimately depends on improvement in the national economy. As the economy improves more jobs will be created leading to increased home sales. This will help reduce the inventory of unsold new and existing homes that are keeping the housing market saturated. Further complicating the housing market recovery were home foreclosures amounting to over a million in 2010 which added to the supply of homes on the market. Looking long-term the initial signs of pending improvement in our timber markets will begin with positive reports on U.S. gross domestic product growth, positive jobs reports, and increased home sales. These will all herald increased demand for Mississippi timber products.

Harvested volumes by product and by county obtained from the Mississippi State Tax Commission are presented in Table 4. For information on current Mississippi timber prices, consult the Mississippi Timber Price Report available on-line at [www.msucare.com](http://www.msucare.com). Select "Forestry" then "Timber Prices." For more information on timber marketing, harvesting, or prices, contact your local County Extension Service or the Mississippi State University Department of Forestry, Box 9681, Mississippi State, MS 39762.

Table 1. Estimated volumes and values of the 2010 timber harvest.

<b>Product/Unit<sup>1</sup></b>	<b>Volume</b>	<b>Standing<sup>2</sup> Value(\$)</b>	<b>Delivered<sup>2</sup> Value(\$)</b>
<b>Pine Sawlogs, MBF, D</b>	896,695	232,396,631	356,836,022
<b>Hardwood Sawlogs<sup>3</sup>, MBF, D</b>	318,708	90,213,576	139,035,635
<b>Pine Pulpwood, Cords</b>	5,079,317	150,208,061	378,445,240
<b>Hardwood Pulpwood, Cords</b>	1,555,765	50,844,076	137,052,572
<b>Poles, MBF, D</b>	51,294	20,696,373	28,306,205
<b>Crossties<sup>4</sup>, MBF, D</b>	3,893	997,473	1,560,243
<b>Stumpwood<sup>5</sup>, Tons</b>	-	-	-
<b>Christmas Trees<sup>6</sup>, Tree</b>	<b>40,000</b>	**	<b>1,500,000</b>
<b>Total Value</b>		<b>545,356,190</b>	<b>1,042,385,916</b>

<sup>1</sup> Unit abbreviations: MBF = thousand board feet, and D = Doyle log rule.

<sup>2</sup> Standing and delivered values calculated using regional (north and south Mississippi) volumes reported by the Miscellaneous Tax Division of the Mississippi Tax Commission and product prices from sources such as Timber Mart-South.

<sup>3</sup> Composite price for hardwood sawlogs calculated under the assumption that hardwood sawmills cut 70% oak and 30% mixed hardwood.

<sup>4</sup> Crosstie values calculated using standing and delivered values for mixed hardwood sawtimber prices by region.

<sup>5</sup> Stumpwood values calculated using pine pulpwood prices.

<sup>6</sup> Christmas trees value and volumes estimated by Mississippi State University Extension Forester Stephen Dicke.

\*\* Not reported since most trees are sold as choose-n-cut.

Table 2. Comparison of 2009 and 2010 harvest volumes and delivered values by product.

Product/Unit <sup>1</sup>	2009		2010			
	Volume	Value -Dollars-	Volume	% Change	Value -Dollars-	% Change
<b>Pine Sawlogs, MBF, D</b>	845,665	326,232,779	896,695	6.0%	356,836,022	9.4%
<b>Hardwood Sawlogs, MBF,D</b>	256,399	114,314,644	318,708	24.3%	139,035,635	21.6%
<b>Pine Pulpwood, Cords</b>	4,265,196	305,871,487	5,079,317	19.1%	378,445,240	23.7%
<b>Hardwood Pulpwood, Cords</b>	1,295,176	100,373,580	1,555,765	20.1%	137,052,572	36.5%
<b>Poles, MBF,D</b>	26,108	15,206,143	51,294	96.5%	28,306,205	86.1%
<b>Crossties, MBF,D</b>	3,375	1,307,695	3,893	15.4%	1,560,243	19.3%
<b>Stumpwood, Tons</b>	4,273	109,785	-	-100.0%	-	-100.0%
<b>Christmas Trees, Tree</b>	40,000	1,500,000	30,000	-25.0%	1,150,000	-23.3%
<b>Total Value</b>		864,916,113			1,042,385,916	20.5%

<sup>1</sup>Unit abbreviations: MBF = thousand board feet, and D = Doyle log rule.

Table 3. Comparison of 2010 and 2009 Mississippi Major Product Prices<sup>1</sup>.

Product / Unit <sup>2</sup>	Region	Standing Prices				Delivered Prices			
		Average	Statewide Average			Average	Statewide Average		
			2010	2009	% Change		2010	2009	% Change
Pine Pulpwood, Cords	North	25.99	28.69	23.52	22.0%	74.50	77.40	69.79	10.9%
	South	31.39				80.31			
Hardwood Pulpwood, Cords	North	30.39	32.71	27.48	19.0%	87.67	88.11	77.57	13.6%
	South	35.03				88.55			
Pine Sawtimber, MBF,D	North	237.50	255.25	239.50	6.6%	376.00	394.00	386.50	1.9%
	South	273.00				412.00			
Mixed Hardwood Sawtimber, MBF,D	North	251.75	260.38	218.88	19.0%	403.25	398.50	387.63	2.8%
	South	269.00				393.75			
Oak Sawtimber, MBF,D	North	285.75	291.75	296.25	-1.5%	452.00	453.50	466.75	-2.8%
	South	297.75				455.00			
Pine Poles, MBF,D	North	414.00	407.75	423.25	-3.7%	564.25	556.88	584.88	-4.8%
	South	401.50				549.50			
Pine Pulp, Ton	North	9.70	10.69	8.85	20.7%	27.87	28.92	26.06	11.0%
	South	11.68				29.97			
Oak Pulp, Ton	North	10.48	11.28	9.48	19.0%	30.23	30.38	26.75	13.6%
	South	12.08				30.54			

<sup>1</sup> Data source: Timber Mart-South.

<sup>2</sup> Unit abbreviations: MBF = thousand board feet, and D = Doyle log rule.

Table 4. Mississippi's 2010 harvested timber volumes by product and county.

	PINE	HARDWOOD	PINE	HARDWOOD	PINE	HARDWOOD	PINE		PINE	HARDWOOD
	LUMBER	LUMBER	SAWLOGS	SAWLOGS	PULPWOOD	PULPWOOD	POLES	CROSSTIES	LOGS	LOGS
COUNTY	MBF	MBF	MBF,D	MBF,D	CORDS	CORDS	C CU FT	MBF,D	TONS	TONS
NORTHERN REGION										
ALCORN		14.67	3,973.80	1,461.05	21,380.73	15,466.67	0.14			4.00
ATTALA				36,283.78	8,455.10	111,597.23				
BENTON			5,627.00	502.67	20,580.57	12,848.89	0.68			506.67
BOLIVAR			4.20	892.00	2,026.67	12,079.24				
CALHOUN			15,110.10	932.00	63,360.27	9,329.87	6.43			112.00
CARROLL			3,333.45	1,825.33	101,411.57	23,444.09	1.10			
CHICKASAW			6,645.80	3,015.33	28,766.33	2,215.24	0.83			
CHOCTAW			17,758.70	1,697.33	88,593.63	34,222.40	13.04			
CLAY			9,043.72	206.67	21,771.27	13,543.60	4.00		41.11	
COAHOMA			25.00	669.33	55.13	2,636.13				
DESOTO			289.00	453.33	14,867.20	859.02	1.04		5.33	
GRENADA			4,261.00	336.00	32,111.33	3,721.73	0.32			
HOLMES	162.67		2,426.65	4,310.67	59,598.87	24,074.89	0.06			
HUMPHREYS					10.00	4,288.89				
ISSAQUEENA		1.33	75.00	9,420.27	30.00	36,495.91				
ITAWAMBA			18,159.37	4,311.19	21,243.41	15,604.44			2,299.11	4,003.59
KEMPER			33,398.72	1,102.67	156,468.04	52,718.62	32.41		56.09	
LAFAYETTE			7,956.60	1,646.67	54,600.47	6,729.42	0.87			920.00
LEAKE			26,065.21	1,873.33	126,540.76	18,848.49	23.06		67.93	2.67
LEE			4,060.20	734.67	364.63	3,840.00				222.67
LEFLORE				2,957.33	12.23	12,859.38				
LOWNDES			5,824.97	244.00	27,407.15	7,268.13	0.65	874.67	307.47	
MADISON			12,511.49	3,698.67	86,524.44	15,156.93	5.03		10.36	
MARSHALL			7,430.40	1,346.67	14,239.17	6,129.29				32.00
MONROE			14,805.19	1,013.33	26,961.59	16,013.29	0.17		181.99	108.00
MONTGOMERY			12,089.37	1,158.67	71,989.87	17,858.13	22.55	1.33		
NESHOBA			14,215.01	3,054.36	96,890.52	43,278.58	5.26	123.11	417.69	
NOXUBEE			15,822.48	2,941.33	104,059.86	25,618.27	1.64		38.91	
OKTIBBEHA			11,365.28	605.33	36,514.83	4,866.13	8.19	1,864.00	34.24	
PANOLA			669.00	2,446.67	22,939.80	3,433.20			4.00	1,046.67
PONTOTOC			11,879.70	404.00	17,668.00	682.49		20.00		2.67
PRENTISS			7,948.30	1,932.00	19,070.00	15,324.44			252.00	772.00
QUITMAN			3.00			31.11				2.67
SHARKEY				3,030.67	20.00	14,408.89				
SUNFLOWER					10.00	577.78				
TALLAHATCHIE			607.09	2,409.33	10,923.10	7,011.11				
TATE			157.00	2,046.67	3,243.23					
TIPPAH		1.33	4,105.85	911.03	35,903.33	19,320.85				
TISHOMINGO			9,006.13	1,729.33	50,436.67	27,208.89			120.00	
TUNICA				490.67		1,902.40			106.67	5,438.67
UNION			9,208.01	722.67	18,511.33	10,514.44				74.67
WASHINGTON		6.67	68.53	8,634.67	232.00	31,351.24				
WEBSTER			17,881.41	2,060.00	72,269.66	20,094.13	10.75			
WINSTON			17,117.88	3,240.67	82,879.02	41,943.96	8.30		62.19	3.31
YALOBUSHA			16,649.00	1,537.33	62,990.53	10,151.29	1.67			
YAZOO			152.95	11,361.64	19,380.33	23,376.22				
NORTHERN TOTAL	162.67	24.00	347,731.56	131,651.31	1,703,312.65	780,945.36	148.19	2,883.11	4,005.08	13,252.23

Table 4. Mississippi's 2010 harvested timber volumes by product and county (cont.).

	PINE	HARDWOOD	PINE	HARDWOOD	PINE	HARDWOOD	PINE		PINE	HARDWOOD
	LUMBER	LUMBER	SAWLOGS	SAWLOGS	PULPWOOD	PULPWOOD	POLES	CROSSTIES	LOGS	LOGS
COUNTY	MBF	MBF	MBF,D	MBF,D	CORDS	CORDS	C CU FT	MBF,D	TONS	TONS
SOUTHERN REGION										
ADAMS		17.33	2,136.00	15,370.67	6,464.88	23,307.42			312.36	
AMITE		877.33	56,931.50	5,714.31	172,759.95	34,918.44	39.74	883.19		
CLAIBORNE		2.67	4,652.84	14,849.33	32,631.23	43,870.84	0.09		9.33	
CLARKE			27,766.90	3,839.48	151,092.88	37,887.91	101.12		2,679.52	6.67
COPIAH			40,011.27	8,166.67	186,942.11	42,369.78	7.53		582.87	
COVINGTON			12,076.88	7,337.33	101,098.51	8,784.98	0.49		1,231.49	190.67
FORREST		9.33	7,865.22	342.67	32,635.89	1,947.38	0.81		101.97	154.67
FRANKLIN	68.00	13.33	25,498.51	5,140.73	96,477.75	31,923.38	8.15		331.96	
GEORGE			4,234.78	148.19	71,647.85	2,015.47	0.88		205.55	5.33
GREENE			12,596.90	2,341.33	164,120.90	23,016.13	3.28	102.67	1,592.00	
HANCOCK			9,032.37	62.67	33,257.85	487.60	0.02		264.99	
HARRISON			3,757.64	8.00	24,410.23	17.73	0.27		30.75	
HINDS			7,308.97	8,268.00	86,986.81	29,655.82	486.08		829.23	
JACKSON			2,812.29	1,917.33	37,281.60	358.62	0.14		1,157.69	
JASPER	12.00	4.00	17,569.21	7,677.33	103,312.01	29,304.62	16.60		5,520.69	3,370.44
JEFF DAVIS			17,352.00	2,102.67	98,551.69	11,790.40	0.59		2,567.24	
JEFFERSON			10,664.15	12,647.07	66,842.41	27,887.38	0.41		33.93	
JONES	2.67		14,438.82	3,456.16	122,245.36	7,539.02	5.89	24.00	513.40	
LAMAR			10,098.54	733.33	86,369.03	7,066.49	14.59		511.09	32.00
LAUDERDALE			21,789.15	1,392.00	117,115.41	49,594.80	27.17		1,756.40	
LAWRENCE			31,549.96	2,857.33	113,931.75	17,562.18	8.23		3,070.49	
LINCOLN			21,893.75	5,037.33	130,590.07	23,931.69	9.59		535.92	
MARION	164.00		12,584.28	2,637.33	123,144.21	19,463.96	0.69		1,485.43	
NEWTON			17,762.20	2,850.67	119,772.35	27,700.71	12.40		2,049.21	
PEARL RIVER			7,738.00	316.00	82,362.53	7,067.38	0.01		81.61	
PERRY			7,269.53	390.67	92,687.23	1,764.36	6.68		99.39	
PIKE		4.00	12,129.14	1,925.36	70,558.55	14,687.42	0.40		897.35	
RANKIN			13,033.65	9,436.25	77,959.99	10,325.73	3.07		609.07	246.67
SCOTT			12,624.64	5,984.59	68,092.71	50,071.64	2.90		455.17	123.84
SIMPSON			16,357.47	3,349.33	115,372.61	41,545.38	3.80		1,921.09	
SMITH			15,523.35	7,637.34	148,604.19	7,022.04	3.36		3,907.81	2.67
STONE			6,500.32	1,073.26	47,086.77	2,510.62	0.53		324.49	
WALTHALL			10,351.18	2,064.00	157,598.40	8,447.91	0.30		2,099.64	
WARREN		5.33	1,197.79	22,697.33	6,017.10	41,997.64				
WAYNE			26,080.32	4,305.87	115,097.23	27,829.82	13.78		1,729.68	177.33
WILKINSON		1,040.00	27,364.61	10,952.11	98,108.43	52,874.58	4.84		112.44	
SOUTHERN TOTAL	246.67	1,973.33	548,554.14	185,030.04	3,359,228.46	768,547.29	784.43	1,009.85	39,611.27	4,310.28
GRAND TOTAL	409.33	1,997.33	896,285.70	316,681.34	5,062,541.11	1,549,492.65	932.62	3,892.96	43,616.35	17,562.51