



MCES Timber Price Report

Agriculture Economics Department
Extension Forestry Department

P. O. Box 5446
Mississippi State, MS 39762

September/October 1991

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

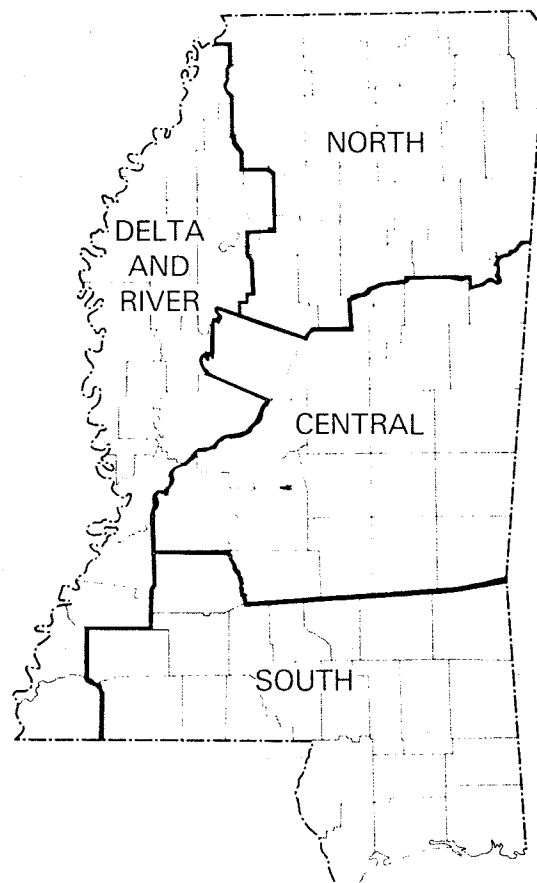
The MCES Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four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

Heavy rains hampered logging operations in many areas of the state in the last 2 or 3 weeks of October. Some areas in the north got very little rain but the Natchez and Columbia area in the south received very heavy rains. Both pine and hardwood prices remained firm during the September/October period.

Most pine mills reported very good inventories of logs. Lumber markets were reported as "up a little." Some reporters indicated that "wides were moving easier than narrows." In southeast Mississippi standing pine sawtimber prices reported ranged from \$175/MBF to \$289/MBF and averaged \$228/MBF. Southwest prices ranged from \$155-\$286 and averaged \$226. Delivered pine prices in the southeast averaged \$294 and reported southwest delivered prices averaged \$275.

Rains seemed to have a greater impact on hardwood mills than on the pine mills that report to us. Hardwood lumber prices remain low and market conditions have not improved. There were reports that lower grades were moving but upper grades were dragging. Some mills reported average inventories, but many were not carrying as many logs as normal for this time of the year. There was some indication that several mills did not feel they could afford to carry as high a log inventory as in the past because the lumber market was not generating the cash flow needed at this time. Standing and delivered hardwood prices, however, remain relatively firm.

Comments on prices on the lower side of the price ranges that we include in our reports related to 1 or few bids, poor grades, and dry-weather-only logging sites. Comments on price on the upper side of the range related to excellent access or good wet-weather logging, large volumes, and having the amount and kind of timber the buyer wanted. Producers with good timber, relatively large acreages and volumes, and easy access are getting record high prices for timber. Those with poor quality timber and difficult access are still getting prices on the low side of the range.

Some reporters commented that the number of southern pine beetle spots had increased in south central Mississippi, but that spots were small. One reported salvage value of beetle-killed timber in central Mississippi of \$100/MBF for pine sawtimber, \$18/cd for chip-n-saw and \$7/cd for pulpwood. He advised landowners to "take the price available and get the spot cut rather than holding out for more money and risking the entire stand."

Several buyers reported strong competition for winter logging and that logging conditions were good.

One other hardwood delivered sawtimber price reported in central Mississippi was grade yellow poplar logs at \$250/MBF.

Pulpwood

Both pine and hardwood pulpwood prices remained firm in September and October. A large number of pulpwood sales were reported in the south with standing pine prices per cord often in the low \$20's. Chip-N-Saw prices were in the \$35-40/cord range. Producers should be sure to evaluate or have a consultant evaluate their volumes of Chip-N-Saw when considering a timber sale.

Other Comments

This issue of the MCES Timber Price Report includes price charts for average standing and delivered pine and hardwood pulpwood for the past two years.

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DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER¹

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	149-230	192	165-251	218	155-289	226	-	-
Chip-n-saw pine	-	41	31-48	39.50	37-40	38.50	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	70-110	91	70-140	87	50-100	82	70-113	95
Oak sawtimber	110-175	141	115-175	164	95-185	135	175-200	182
Soft hardwood sawtimber ³	-	-	-	-	80-100	85	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	12-20	13	12-25	14.50	9-25	15.75	10-12	11.25
Hardwood pulpwood	4-20	6.50	4-10	6	4-18	8.25	6-7	6.75

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	225-270	240	265-275	270	285-310	294	-	-
Chip-n-saw pine	63-74	70	-	67*	65-72	69.50	-	-
Poles (pine)	-	-	-	-	-	42/T*	-	-
Mixed hardwood sawtimber ²	155-200	185	160-200	185	180-190	183	135-190	164
Oak sawtimber	-	-	-	-	-	-	200-280	243
Other hardwood sawtimber	-	-	-	**	-	-	155-265	-
Pine pulpwood	35-44	40	34-59	41	38-46	39.75	-	48*
Hardwood pulpwood	31-40	35	30-37	34	30-38	33.75	35-37	36

¹Prices 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.

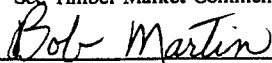
³"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.


⁴"Rare Hardwoods" are mostly: Walnut, Cherry, Royal Paulownia, Persimmon, some species and grades of Cypress, certain prime grades of Cherrybark and White Oaks.

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

*Only one price reported.

**See Timber Market Comments.


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