

Timber Market Commentary—May/June 1999

Sawtimber

The timber market in May/June was steady. Many reporters commented that the market for sawtimber was good but pulpwood is still weak. The sawlog market reflected the good market for pine lumber. Pine lumber prices in June were running well above a year ago reflecting a good lumber market that lasted through the first half of the year.

Several foresters reported good prices for the timber sales they offered, but most said landowners were holding their timber off their market hoping for higher prices. Many reporters commented that there were "not many sales on the market." Generally, pine sawtimber prices held steady statewide and the feeling is that mill buyers would welcome more sales on the market. This is confirmed by the number of bids received for many of the sales reported for May/June. The range of bidders on good pine sawtimber sales was between 5 and 15 in central and south Mississippi.

Many consulting foresters were getting sales ready to put on the market in late summer and early fall. Other reporters commented that "pine sawtimber prices are not bad now but many landowners are still holding their timber back trying to catch the peak of prices."

Many landowners and foresters were working on thinning plantations and other management activities while waiting for the right time to sell. Most pine mills reported good log inventories mostly due to good to fair logging conditions.

A standing price of \$250/MBF was reported in south Mississippi for spruce pine sawtimber.

One reporter commented that the market for Eastern redcedar logs was very good in northeast and east central Mississippi this summer. These logs were going to Tennessee and Alabama mills. Specification were for a minimum 7 inch butt diameter and logs 8 1/2 feet long or more.

On the hardwood side, while hardwood lumber was selling well mills report prices low. Several contacts mentioned that log prices were high and they were not getting enough for the (oak) lumber. Some mills were trying to improve their log inventory but logging conditions in some of the lowest sites were not the best.

Hardwood sawlog standing prices improved in May/June from the previous period. Standing prices for mixed hardwood and oak sawtimber moved higher in almost every area of the state.

Pulpwood

The pulpwood market stayed about the same in May/June. Pine pulpwood demand improved a bit, but prices remained about the same. On the hardwood side, foresters report some improvement in demand also with better in north and central Mississippi, but most reporters were just glad they could move it. Prices for pulpwood, overall, were about the same.

Other Comments

Some reporters mentioned seeing a few southern pine beetles spots in central Mississippi, but nothing considered extraordinary. With dry conditions prevailing in much of the state landowners are advised to check your forests periodically for signs of southern pine beetles.

What impact, if any, will the Y2K problem have on Mississippi forestry? No one really knows, but the outlook for the Mississippi economy for the second half of 1999 mentions that Y2K is having an effect on the state economy, in general. Computer spending and Y2K readiness expenditures are up but it's also predicted that businesses will likely build up inventories in advance of the new year, then have large inventory drawdowns in the first quarter of 2000. Will forest industry mills build log inventories larger than usual in anticipation of Y2K? If extra emphasis will be put on winter log inventories this year because of Y2K, this fall could be an especially good time to sell timber. For more on possible Y2K effects on Mississippi's economy see Mississippi Economic Review and Outlook, June 1999.