



Mississippi State University Extension Service

Coordinated Access to the Research and Extension System

Mississippi Agricultural and Forestry Experiment Station

Box 9681
Mississippi State, MS 39762

May/June, 2003

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 Mississippi State University 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 individual 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

Pine Sawtimber average prices held steady in May/June as logging conditions remained hampered by persistent unseasonal rains. Many mills throughout the region continued to have log supply difficulties. The rain was the story. While May saw near normal rainfall, June posted nearly 7 inches above normal rainfall at Meridian, MS. Foresters reported mill buyers purchasing "winter logging" tracts throughout June. This may make good timber sale opportunities this fall.

Average standing pine sawtimber prices ranged from \$397 to 426/MBF, Doyle. Foresters report good demand for pine and hardwood sawtimber. Foresters report a "good number of bidders and good sale activity". These prices, of course, are weather-related and normally would have fallen by now, but the rains have created a good market situation for landowners.

A report of \$225/MBF for spruce pine was made in south Mississippi.

In the hardwood market, hardwood logs are in good demand and oak sawtimber moved higher. Hardwood stumpage prices "have kept way above average" one reporter commented about central Mississippi market as a result of all the rain. Hardwood mills have been especially impacted by the rainy spring.

One oak sale in north Mississippi was reported at \$616/MBF, D but the forester thought a cruising error may have caused the high price. Hardwood lumber sales are reported good and the hardwood markets have seen some improvement in the last nine months. Hardwood prices indexes are up compared to last year. The outlook for hardwood business in the second half of 2003 is reported as "cautious optimism".

Pulpwood

Pulpwood demand was characterized as "good" by most reporters contacted. The rainy weather has caused pulpwood supply problems however the closing of the Natchez paper mill has removed a large portion of pulpwood demand. Average standing prices for pine pulpwood ranged from \$14 to \$16.50/cord (\$5.40 to 7 per ton). First thinning prices for pine pulpwood were reported good in central and north Mississippi. Hardwood pulpwood ranged from \$10 to 14/cord (\$3.50 to 5/ton).

Other Comments

The US housing market remained strong in May/June. Housing continues to be one economic sector that is robust as the general economy improves. Softwood lumber demand is expected to be strong in 2003. The Western Wood Products Association projects that US softwood lumber demand will be slightly lower in 2003 than the estimated 56.3 billion board feet market we saw in 2002. This should be a better pine lumber market than we've seen lately.

Many reporters remarked about the "logger shortage". Apparently, with the log supply slowdown due to the rains mills are now competing for loggers to be sure they can get the raw materials they need. One forester reported having to pay his loggers \$1 more per ton as an incentive to get his timber cut.

The Mississippi Timber Price Report is available on the World Wide Web. The current issue can be accessed through the Mississippi State University Extension Service Homepage. The Extension website is at www.msucares.com. Select "Forestry" from the left hand index and then select "Timber Price Reports" to find the Mississippi Timber Price Report on line. Individual price reports are available dating back to 1997. Other data will be added periodically.

Anyone can get copies of the Mississippi Timber Price Report from the local Extension office. For the latest timber prices, call your County Extension Office or to get on the mailing list, contact Extension Forestry at Box 9681, Mississippi State, MS 39762

As always, your comments, pro and con are welcome.

MISSISSIPPI TIMBER PRICE REPORT
 May/June, 2003
 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	325-465	397	358-481	416	337-474	426	380-487	421
Chip-n-saw pine	40-85	73	62.50-88	74.50	55-80	74	-	-
Poles (pine)	-	-	-	-	500-600	572	-	-
Mixed hardwood sawtimber ²	155-182	169.50	166-277	220	85-258	163	100-220	156
Oak sawtimber	283-365	348	240-438	290	285-380	338	300-490	396
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	10-21	16.50	10-26	16.25	12-20	15.50	12-17	14
Hardwood pulpwood	12-20	14	8-21	13.25	8-15	10	9-14.50	12

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	455-485	465	450-497	483	465-505	495	-	-
Chip-n-saw pine	-	-	88-105	96	85-99	93	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	260-290	271	250-290	277	220-275	245	240-285	270
Oak sawtimber	375-405	388	370-420	380	360-425	379	395-475	446
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	38-65	51	33-57	47	31-59	48	29-47	44
Hardwood pulpwood	27-58	38	24-53	34	27-46	37	26-38	33

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.

Mississippi weight conversion factors for shortwood pulpwood by law are: pine = 2.6 tons/cord. ; mixed hardwood = 2.8 tons/cord.

There is no statutory weight conversion for sawlogs in Mississippi. Pine sawlog weight to lumber volume conversions vary by log diameter and range from 6.5 tons of logs/MBF of lumber to 12 or 13 tons/MBF. Most mills in Mississippi use weight conversion factors of 8 to 10 tons/MBF for southern pine. For hardwood logs (comprised mostly of oak and hickory), most mills use a conversion factor between 9 and 11 tons of logs/MBF of lumber. A mill's conversion factor will also vary according to the equipment configuration in the mill.

*Only one price reported.

**See Timber Market Comments.