



MCES Timber Price Report

Agriculture Economics Department
Extension Forestry Department

P. O. Box 5446
Mississippi State, MS 39762

January/February 1993

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

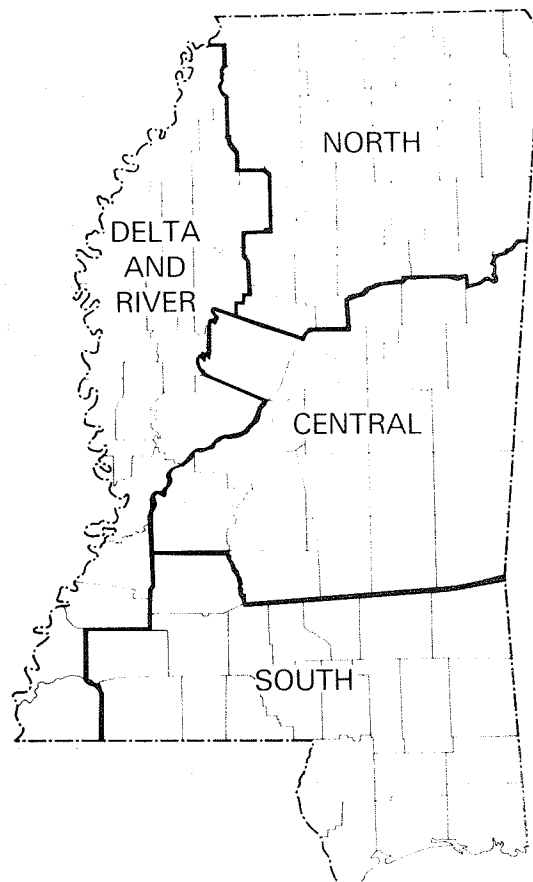
The MCES Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four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

The winter rush in the timber market continued during January and February with most mills still wanting logs. However, reporters commented that the urgency of November and December has eased, thanks to about 3 weeks of good weather in February. Log inventories at most mills are much improved compared to early January. In addition, good prices in December apparently stimulated a wave of timber sales. Many reporters commented that there is lots of timber on the market. A few said there were more sales being offered than they can cruise.

One reporter commented, "There has been more winter logging sold this winter than I thought was left." He also commented that loggers were doing a good job of caring for the land and using BMP's. Another said, "Prices (for pine sawtimber) are high and all over the board." The erratic pricing, in part, reflects the differing log inventory situations among the mills.

Competition for tracts that can be logged immediately (winter logging) is still strong, but the larger number of sales on the market allows buyers to be more selective now than they had been in December. Even so, two sealed bid sales were reported in the central region with pine sawtimber stumpage prices of \$410/MBF and \$550/MBF, respectively. These figures were out of the range of the other data collected, so they were held out of the average price calculations, but they show some of the erratic buying that was reported for January and February.

Prices for standing pine timber were generally higher all across the state, while hardwood sawlog prices were steady to a bit higher for good oak sawtimber. Many reporters commented that stumpage was "too high" or "high as a cat's back." Some buyers were frustrated because intense competition for stumpage made buying timber more difficult. Some commented they would have to raise prices to continue to get logs while others talked of shutting their mills for a time until logs were more available at their price. Some mills lost a few days' production in January due to log shortages.

Standing pine sawtimber prices reported in the southwest ranged from \$180 to \$350 and averaged \$289/MBF, Doyle. Prices in the southeast ranged from \$200 to \$369 and averaged \$317/MBF, Doyle.

Most reporters commented that the lumber markets (pine and hardwood) are good. Hardwood mills can sell all they lumber they have, especially oak, and a few mentioned that their lumber inventories were lower than usual. One hardwood reporter commented that there was "too much (lumber) demand for the supply." Pine mills were using words like "excellent" and "fantastic" to describe the lumber market.

Logging conditions remain wet across the state, but most loggers are able to operate. North Mississippi appears to have the best logging conditions currently.

Pulpwood

The pulpwood market is good and demand is strong. Most pulp mills are wanting wood, and dealers can sell all they can get. Dealers contacted had little inventory on the yard because they are shipping what they get promptly. Prices, however, remained steady.

Other Comments

Several reporters commented that Southern Pine Beetles are becoming more common. Foresters are reporting SPB spots in Southwest and South Central Mississippi and in the area around Monroe/Itawamba Counties and Attala/Choctaw Counties. Several reporters commented seeing green pine trees with the bark already slipped off and speculated the SPB problem may become more detectable when warmer weather comes. One delivered price reported for beetle-killed pine pulpwood in Central Mississippi was \$41/cord.

This issue contains graphs of standing and delivered prices for pine and hardwood sawtimber for each area for the past two years.

Beginning with this issue, we will make the MCES Timber Price Report available to the county Extension offices by electronic mail as well as in published form. The E-Mail delivery will provide the price data and market comments to users virtually as soon as we have it. This may precede the published report by 10 days or more. If you need timber price information at any time, call your county Extension agent.

The MCES Timber Price Report is available to anyone by contacting your county Extension office or Extension Forestry at P. O. Box 5446, Mississippi State, MS 39762. Your comments are welcome.

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DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER¹

	<u>North</u>		<u>Central</u>		<u>South</u>		<u>Delta and River</u>	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	175-368	277	245-365	294	180-369	303	188-347	287
Chip-n-saw pine	70-75	73	45-70	58	38-40	39.50	-	-
Poles (pine)	-	-	-	-	-	375	-	-
Mixed hardwood sawtimber ²	70-160	105	70-165	115	64-125	83	85-175	115
Oak sawtimber	135-195	169	165-250	221	-	-	270-330	314
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	12-33	24.75	10-35	20	8.75-30	20	10-22	15.75
Hardwood pulpwood	6-29	14.25	5-22	11.50	7.50-12	9.25	6-8	7

DELIVERED PRICES⁵

	<u>North</u>		<u>Central</u>		<u>South</u>		<u>Delta and River</u>	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	290-375	335	310-410	344	280-400	350	-	-
Chip-n-saw pine	65-107	92.50	78-91	85	79-89	84.00	-	-
Poles (pine)	-	-	-	-	-	44/T*	-	-
Mixed hardwood sawtimber ²	230-258	246	225-300	245	180-255	231	163-240	188
Oak sawtimber	-	300*	266-300	287	-	300*	275-400	363
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	44-65	55	40-56	46	-	40	44-50	47
Hardwood pulpwood	34-54	47	35-60	42.25	32-37	35	40.50-45	42.75

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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