

2000 Harvest of Forest Products Report

Mississippi's forest industry (including private landowners, independent harvesters and forest industry) harvested and delivered \$1.3 billion worth of forest products to mills and other processors in 2000. The total value of Mississippi's 2000 timber harvest delivered to the first point of processing (such as a pulpwood yard or sawmill) was \$1,304,808,610. This harvest value is 3 percent higher than 1999. The year 2000 was the eighth straight year Mississippi's timber production value was over \$1 billion. Timber was the second most valuable agricultural commodity in 2000. Poultry and eggs was the most valuable with a \$1.37 billion value, timber was second at \$1.30 billion and cotton was third at \$483 million. Mississippi's forest landowners collected \$1 billion for their standing timber in 2000. This is the fourth year the standing value of Mississippi's timber harvest was over one billion dollars. The estimated value of the logging and transportation sector was \$302,918,722.

Severance tax collections on timber were \$4,250,938. This total is 2.1% higher than 1999. Twenty percent of severance tax collections, or about \$490,188 were returned to the counties where the timber was harvested. Eighty percent or about \$3,400,750 went to the Forest Resource Development Program (FRDP) to provide cost share funds to private, non-industrial forest landowners for reforestation and other forest management practices.

The value of Mississippi's timber harvest increased 3.4% in 2000. This increase resulted from an increase in sawlog harvest volume and only a small decline in prices. [Table 1](#) shows the estimated value of the timber harvest for 2000.

The harvest volume of pine sawlogs increased significantly by 15.4% and their value increased 12.9%. Pine pulpwood volume remained level with a very slight increase. This ends a three-year decline in pine pulpwood harvest volume. Pine pulpwood value however decreased 8.1% on lower pulpwood prices in 2000. Pine plywood log volume and value declined about 15% with the closure of some plywood operations in the state. The volume of pine poles increased 10% and their value increased 9.7 percent.

Hardwood sawlog volume increased 5.4% but value slightly decreased on falling prices in 2000 compared to 1999. Hardwood pulpwood harvest volume increased by 4.5% ending a four-year decline in harvest volume. Hardwood veneer log volume increased 4.4% and value increased 11.5%. Crossties declined in both volume and value in 2000. [Table 2](#) shows a comparison of 1999 and 2000 by product category.

The value of Mississippi's timber harvest increased in 2000. Volumes for Mississippi's major forest products - sawlogs and pulpwood - were higher in 2000. This was especially true for pine sawlogs which increased 15.4%. While prices were lower for these products, price decreases were modest for sawlogs and more severe for pulpwood. [Table 3](#) shows a comparison of prices for 1999 and 2000.

An increase in timber harvest value for 2000 was a bit surprising. It was fueled by strong southern pine lumber production in 2000 in response to a good housing market. While 2000's housing market was lower than the 20-year high witnessed in 1999, pine lumber production moved ahead briskly. Southern pine lumber production region-wide for the year 2000 was a record 16.2 billion board feet. By year's end lumber market analysts were calling the market "overproduced" and lumber prices were falling. During the year in Mississippi however, sawlog production continued. Since pine sawlogs account for 50 percent of Mississippi's timber harvest value this market improved the state's timber market performance in 2000. While pine sawlog prices began to decline in the second half of 2000 average delivered log prices only declined 2% for the year.

Hardwood sawlogs also had a better-than-expected year in 2000. The housing market helped hardwood lumber demand but a slowing economy lowered prices for many lumber grades and overall hardwood lumber prices also trended down by year end. For the year in Mississippi hardwood log harvests were 5.4% higher. This also helped the timber harvest value since hardwood sawlogs account for another 13 percent of the states harvest value. Though log prices were lower annual value only dropped slightly.

Mississippi's pulpwood economy was the most severely impacted by market slumps in 2000. While pulpwood harvest volumes stabilized in 2000 from several years of declines, prices continued to fall. Standing pulpwood prices suffered double-digit declines but delivered prices dropped 1 to 6 percent. Pine pulpwood value fell 8.1 percent but hardwood pulpwood posted a 2.3 percent increase in value. Overall,

pine and hardwood pulpwood accounted for about 20 percent of the timber harvest value in 2000 where they had represented 41% in 1991.

In 2000 the North American forest products industry continued to realign itself. Companies were changing strategies, selling timberland or mills as they chose product lines to enhance and others to discard. In Mississippi, sawmills and plywood plants were idled late in the year in response to a lumber and structural panel market with too much production to match a slowing economy. Then came the Presidential election of 2000 with its unusual outcome decided nearly 30 days after election day by a Supreme Court ruling. But through it all Mississippi's timber harvest showed an increasing emphasis on solid wood products - lumber, structural panels and furniture with a decreasing role for pulpwood.

Mississippi's forest economy is changing as companies merge, realign sell assets and adapt an increasingly global marketplace. In spite of these changes happening around us, Mississippi forest landowners are in a good position to supply domestic and international timber demand. The long-term outlook for Mississippi timber remains bright. Landowners who are not managing their forest land are encouraged to start. As timber demand increases and southeastern states restrict timber harvesting in the future demand for Mississippi timber will increase. In addition, leaving your land more productive than when you acquired it is personally rewarding.

Table 4 shows harvested volumes of forest products for Mississippi counties within the Mississippi Timber Price Report regions. For current representative prices for Mississippi forest products consult the [Mississippi Timber Price Report](#).

For more information on timber marketing procedures and timber prices contact your County Extension Service or the Mississippi State University Department of Forestry, Box 9681, Mississippi State, MS 39762.

Sincerely,

Dr. Bob Daniels
Extension Forester

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