



MCES Timber Price Report

Agriculture Economics Department
Extension Forestry Department

P. O. Box 5446
Mississippi State, MS 39762

September/October 1992

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

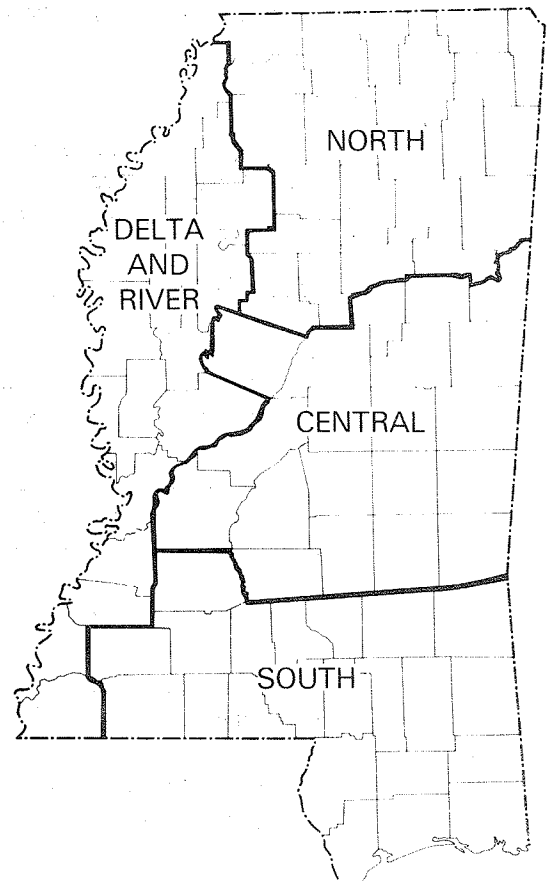
The MCES Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four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

Excellent harvesting weather during most of September and October allowed mills to build log inventories. However, late in October rains began to slow logging in many areas of the state. While most mill reporters were content with their current levels, many were still seeking timber to fill out their winter supplies. Most reported an active timber market, as usual, for this time of year, and competition for stumpage remained keen, especially for winter logging.

Pine sawtimber stumpage prices remained steady compared to last period throughout the state except for an upward jump in North Mississippi. Many reporters this time commented about how strong the competition for pine stumpage has become. North Mississippi buyers in particular seem impressed with the increased strength the timber market in the past five years. In Southwest Mississippi, standing pine sawtimber prices averaged \$247/MBF,D compared to \$257/MBF,D in the Southeast. Delivered prices for pine sawtimber reported averaged \$293/MBF,D in the Southwest and \$305/MBF,D in the Southeast.

During September/October the pine lumber market was up, then down and seemed to stabilize toward the end of October. During September especially, pine stumpage was in demand as Hurricane Andrew cleanup spurred plywood sales.

A stumpage price of \$110/MBF,D for cypress was reported in North Mississippi.

Hardwood mills were also busy building winter inventory. Many hardwood mills especially in the South reported they needed more logs. The hardwood lumber market was reported as "pretty good" with demand for lower grade oak strong. Hardwood sawtimber stumpage prices increased in North Mississippi and the Delta/River area but decreased in Central and South Mississippi.

Pulpwood

Pulpwood demand is reported as steady as mills build winter inventories. Pine stumpage prices for pulpwood moved up in the north half of the state and slightly lower in the south. Hardwood pulpwood prices stayed about the same with slight increases in central area and the Delta.

Other Comments

Several reporters commented that Southern pine beetle had been active in Central and Southwest Mississippi. Some prices for SPB damaged timber were reported as follows: Franklin County pine chip-n-saw \$32/cord, pine sawtimber \$200/MBF,D and pine pulpwood \$10.50/cd.

The Hankins Lumber Company mill at Sturgis suffered a fire in early October. The fire apparently did little damage to the mill itself but destroyed much of the filer room. The mill will hopefully be running again in mid-November.

Pole demand remained strong, and the pole business is reported good during September/October.

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

A new Management Technical Note (MTN 4J) is available from Extension Forestry. This MTN is called Mississippi Timber Prices 1986-1992. It documents bimonthly prices for forest products

from the MCES Timber Price Report and gives graphics showing trends in prices over the six-year period since the report began. Write to Extension Forestry to receive a copy.

The MCES Timber Price Report is available 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	180-322	238	212-310	257	174-316	251	-	-
Chip-n-saw pine	27-52	43	45-55	49	30-46	42	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	60-148	108	80-125	102	53-95	76	60-110	80
Oak sawtimber	100-174	142	-	-	-	-	139-205	165
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	**	-	-	-	-	-	-
Pine pulpwood	10-25	18	13-30	17.50	10-21	14.75	10-20	16.75
Hardwood pulpwood	6-15	8.50	4-20	11	5-9	7	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	270-320	293	270-288	277	285-315	298	-	-
Chip-n-saw pine	78-91	83	-	75*	67-78	72.25	-	-
Poles (pine)	-	-	-	-	42-45	43.50/T*	-	-
Mixed hardwood sawtimber ²	170-215	195	175-225	200	180-205	194	155-165	158
Oak sawtimber	-	257	-	-	285-300	293	240-320	287
Other hardwood sawtimber	-	-	-	-	-	-	157-350**	-
Pine pulpwood	36-65	51	38-49	42	38-40	38.75	-	44*
Hardwood pulpwood	33-42	38	32-38	35.50	30-35	33.50	36-41	38.25

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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