



Mississippi Timber Price Report

Department of Agricultural Economics

Department of Forestry

Box 9681
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MISSISSIPPI TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

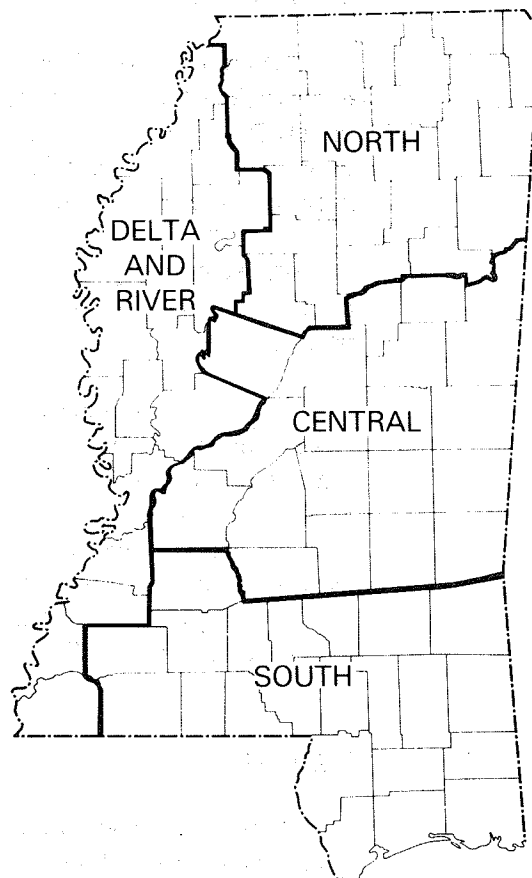
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Cooperative Extension Service to provide an accurate picture of timber market activity. 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 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 big story during January/February was the ice storm and the resulting timber damage in north Mississippi. The ice snapped trees, broke branches and weighed down young trees to the ground. The exact extent of the damage is still being assessed, but the Mississippi Forestry Commission released a preliminary estimate of \$1.3 billion in timber damage from the storm. Twenty-two counties in north Mississippi were effected and the storm has made an excess of wood available to a market in which logs were already plentiful. The impact of the ice storm in the north Mississippi timber market will likely be felt most in the March/April period as salvage operations get into full swing.

Meanwhile, sawtimber prices remained strong throughout the state. Average pine sawtimber stumpage prices increased statewide with reporters commenting that markets were "very good" or "hot." Tracts with good "winter logging" access were bringing premium prices. Wet weather, especially in south Mississippi definitely influenced the market and pushed stumpage prices higher. Reporters commented that sales of good pine timber on accessible sites were competitive but there always seemed to be one bidder that would "blow the others out of the water" with a higher bid. A few sales reported in south Mississippi not included in the price averages reported here were sold in the \$500/MBF range, while in the central region two sales over \$500/MBF and one at \$600/MBF were reported. Prices were very volatile during January/February with reports that its very difficult for buyers to know where the market is.

Most mills reported good log inventories for this time of year, however. In north Mississippi, this is a problem because the ice storm damage will bring additional wood to mills and yards that are largely full already. Pine lumber prices, however, were very high in January/February but then began dropping. Even so, pine lumber prices are still near historical highs and the demand outlook is good keeping upward pressure on stumpage prices.

Pine stumpage prices in the southwest and southeast have moved very close together. Standing prices reported in the southeast and the southwest both averaged 405/MBF,D for the January/February period.

Hardwood sawtimber stumpage prices were steady to a bit lower throughout the state which is typical for this time of year. The ice storm and extremely wet conditions in the north Delta were limiting operations there. However, there were several sales of quality red oak stands reported in the \$400/MBF range. Oak continues to drive the hardwood market with ash prices in the same range as oak, but ash is much less available than oak in most parts of Mississippi. Some reporters in the hardwood business think quality hardwood sawtimber will become harder and harder to find with almost all replanting done in pine. Lumber prices were generally good and were holding steady at the end of February. However, some reporters indicated that No. 1 common red oak was moving slower and the oak flooring market had eroded in January/February.

Pulpwood

Average pulpwood prices were steady to a bit higher statewide, but most mills were content with their inventories. Rumors of soft chip demand in Japan caused reporters to be nervous about hardwood pulpwood prices in north Mississippi, but stumpage price changes had not materialized yet. Delivered prices had fallen slightly though, in north Mississippi; elsewhere in the state prices remained steady.

The ice storm will likely cause downward pressure on the north Mississippi pulpwood market. Reporters mentioned that many homeowners were calling wanting to give wood away just to get yards and properties cleared of broken trees. So wood will be plentiful in the short term. One reporter commented that "salvage in north Mississippi will continue through June, but then blue stain will likely end salvage because warm weather will ruin downed pine timber by then. After the summer the wood glut from the ice storm will ease up." This is probably true, but ice-damaged live trees may also be cut and influence the market for a year or so. That remains to be seen.

A few pulp mills that procure pulpwood in north Mississippi also had mill down-time scheduled for January/February (since pulp markets have been soft) and this has slowed pulpwood demand a bit.

Other Comments

The pole market is good with standing prices of up to \$600/MBF reported this period. Major breakage of transmission lines during the ice storm that covered several states besides Mississippi will likely increase pole demand in the short term, at least.

More Mississippi forest industry companies are participating in export markets and our industry is becoming more international each year. The hardwood chip market is now being affected by the state of Japan's economy and the recent announcement of the Norbord OSB mill in Lee county brings another international forest products manufacturer to our state. We have products the world wants. Let's profit from it and continue to grow trees.

The ice storm in north Mississippi damaged many timber tracts. To take advantage of casualty loss income tax rules, landowners need to establish their timber "basis" and have an appraisal to establish before and after timber values. A series of Timber Casualty Loss meetings have been scheduled for Alcorn, Grenada, Lafayette, Lee, Marshall, Tallahatchie, Tate, Tippah, Tishomingo and Yalobusha for the period March 24 through May 5, 1994. If you need information on how to claim timber casualty loss, plan to attend one of these sessions sponsored by the Cooperative Extension Service. Contact your County Extension Office to find the session closest to you.

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

The U.S. Forest Service has completed and published the 1994 Forest Survey reports for North and South Mississippi. To get a copy of the publications contact the Forest Inventory and Analysis Unit in Starkville at 324-1611.

Anyone can get copies of the Mississippi Timber Price Report from the local Extension Office. The report is now available through the Cooperative Extension Service County Computer Network to all county Extension Offices. For the latest timber prices, call your county Extension Office or to get on the mailing list, contact Agricultural Economics at Box 9755 or Extension Forestry at Box 9681, Mississippi State, MS 39762.

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

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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	246-465	336	256-488	408	266-498	405	285-410	335
Chip-n-saw pine	-	55	60-90	75	-	55*	-	-
Poles (pine)	-	-	-	-	-	600*	-	-
Mixed hardwood sawtimber ²	65-175	149	100-175	142	65-160	112	60-200	126
Oak sawtimber	125-272	223.50	150-300	222	-	-	300-426	369
Soft hardwood sawtimber ³	-	-	-	**	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	25-45	32.25	17-40	28.25	9-40	19.75	11-30	23.25
Hardwood pulpwood	5-30	20.50	12-40	23.25	5.50-22	11.50	8-17	12.75

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	315-381	362	350-440	420	350-450	414	-	-
Chip-n-saw pine	96-115	101	-	-	92-112	100	-	-
Poles (pine)	-	-	-	-	-	58/T*	-	-
Mixed hardwood sawtimber ²	210-242	218	210-252	235	110-225	146	100-200	155
Oak sawtimber	275-325	310	300-335	308	225-400	314	350-450	404
Other hardwood sawtimber	-	-	-	-	-	-	200-450	**
Pine pulpwood	47-64	57	43-62	50	44-48	46	-	55*
Hardwood pulpwood	40-53	44	37-45	40	34-45	38.25	-	45

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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