

# Mississippi Timber Price Report

## Department of Agricultural Economics

## Department of Forestry

Box 9681  
Mississippi State, MS 39762

May/June, 1995

### MISSISSIPPI TIMBER PRICE REPORT

#### 1. WHAT IS THIS REPORT?

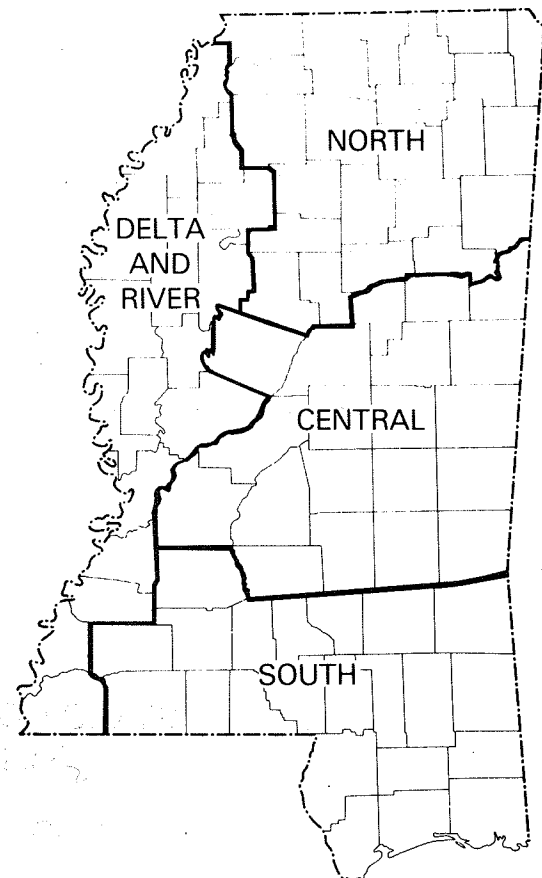
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Cooperative Extension Service to provide an accurate picture of timber market activity.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

Pine Sawtimber prices remained strong but declined some in most areas of Mississippi by late June. Logging weather has been excellent and logs are plentiful, especially with the increase in Southern Pine Beetle (SPB) spots across the state (see Other Comments). Several pine sawtimber stumpage price reports from early May showed strong competition for high quality timber tracts in the \$500-\$600/MBF range, but as the period went on prices eased. However, as usual, there is still very competitive bidding for "winter logging" tracts. By the end of June prices had dropped about \$25 to \$50/MBF delivered.

As is customary this time of year logs were plentiful causing prices to move lower. Several reporters commented that they had "too many logs" or that "yards are full."

Pine lumber prices have fallen since the spring but had become more stable by the end of June. It may be that the domestic softwood lumber market is getting adjusted to the Pacific Northwest supply restrictions and that prices may stabilize. Stay tuned. One reporter commented that the lumber "market is weak, but at least it had stopped falling." Mills reported however, that lumber is moving and sales are steady. Another reporter mentioned that the plywood market has been more consistent than the lumber market.

Hardwood log markets were somewhat weaker than they were in March and April. Most mills reported a surplus of logs while some said their inventory was lower than usual but nothing that would effect mill operations.

An exception was along the Mississippi River where high water late in the season threatened to keep loggers out of the "low grounds: completely this year.

Red oak lumber prices were weak but white oak lumber was holding steady. The cottonwood and poplar markets were reported as "dead" or "short" by a few reporters. Increase cutting of these species in Appalachia has apparently flooded the market.

When logs are abundant, mills tend to become more selective of the logs they buy. Several mills reported logs as "excellent quality". In general, the story in the hardwood market has been too many logs. Apparently this will continue until fall.

One reported stumpage price for ash in the central region was \$192/MBF. Another central region price reported for spruce pine stumpage was \$275/MBF.

#### Pulpwood

Pulpwood demand remained strong during May/June. Pulp and paper prices have been rising and expectations are that this will continue through 1995. Pulpwood prices have generally remained steady at a time of year they are usually falling and quotas being imposed on dealers. So far this has not happened.

#### Other Comments

The big story in the "Other" category of this report is Southern Pine Beetles (SPB). It has been several years since SPB has been a major problem in Mississippi. As one reporter commented "I guess we were due." Southern Pine Beetles has begun to hit south and central Mississippi hard and to a lesser extent, north Mississippi. Sale reports from public land during May and June show the number of salvage sales in the following counties: Amite 34, Franklin 33, Scott 30, Wilkinson 10, Jefferson and Lincoln 3 each, Adams 2, and at least 1 in Jones, Smith, Lafayette, Benton, Marshall,

Union, Wane, Perry, and George. The US Forest Service also reported in June that SPB activity was increasing all across the state and that the levels of SPB predators were also dropping. The US Forest Service is expecting/predicting SPB outbreaks in Mississippi and several other southern states. Landowners and foresters are advised to be on the lookout for SPB spots in their timber.

The official tally of the value of Mississippi's Harvest of Forest Products recently released shows timber was the number one agricultural crop. Valued at \$1.078 billion, timber values were slightly higher than poultry and eggs which were second and cotton was third. For details see the 1994 Harvest of Forest products Report. Contact Extension Forestry for a copy.

This report contains graphs of average pulpwood prices over the past two years.

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 P.O. Box 9755 or Extension Forestry at P.O. Box 9681, Mississippi State, MS 39762.

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

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 May/June 1995  
 DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER<sup>1</sup>

	<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	276-405	327	281-517	371**	300-520	380	234-425	346
Chip-n-saw pine	-	61*	60-94	73	65-68	63	-	-
Poles (pine)	-	-	-	-	-	550*	-	-
Mixed hardwood sawtimber <sup>2</sup>	85-200	132	80-200	139	100-150	128	88-211	128
Oak sawtimber	160-285	220	197-340	241	264-400	320	250-575	284
Soft hardwood sawtimber <sup>3</sup>	-	-	-	-	-	-	-	-
Rare hardwood sawtimber <sup>4</sup>	-	-	-	-	-	-	-	-
Pine pulpwood	20-48	31	18-42	27.25	15-43	21.75	10-40	21.25
Hardwood pulpwood	10-33	16.50	10-30	19	10-25	16.60	10-12	11.25

DELIVERED PRICES<sup>5</sup>

	<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	370-410	395	360-425	410	400-475	433	-	-
Chip-n-saw pine	-	-	92-115	101	98-101	102	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber <sup>2</sup>	170-240	208	210-265	229	110-225	162	175-250	209
Oak sawtimber	285-320	305	330-365	338*	275- <del>400</del> <sup>500</sup>	<del>312</del> <sup>412</sup>	300-475	397
Other hardwood sawtimber	-	-	-	-	-	-	190-475	**
Pine pulpwood	44-61	49.50	43-50	48.75	44-60	48.50	49	49*
Hardwood pulpwood	31-51	42	30-48	44	36-42	38.50	43-45	43.25

<sup>1</sup>Prices 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.

<sup>2</sup>"Mixed Hardwoods" are mostly: Low-grade Oak, Beech, Cottonwood, Willow, Elm, Gums, Locust, Hackberry, Magnolia, Pecan, Hickory, Sycamore, Tupelo and Birch.


<sup>3</sup>"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.


<sup>4</sup>"Rare Hardwoods" are mostly: Walnut, Cherry, Royal Paulownia, Persimmon, some species and grades of Cypress, certain prime grades of Cherrybark and White Oaks.

<sup>5</sup>Delivered prices are values given at the sawmill or pulpwood yard gate.

\*Only one price reported.

\*\*See Timber Market Comments.

  
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