



Mississippi Timber Price Report

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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

During January and February producers were mostly marking time. Good logging weather made logs plentiful to both hardwood and pine mills. Reporters often commented that stumpage markets were slow with fewer sales being offered. However, several buyers mentioned that though their log inventory was good, their standing timber inventory was light. Several reports were received of winter logging sales where high prices were paid and 5 to 10 competitive bids received. Landowners should be aware that even in times of slow demand for stumpage high quality sales with good access can bring good prices.

Pine lumber prices have been trending lower since last summer resulting from plentiful logs from the Southern pine beetle epidemic and strong competition from Canadian lumber imports. Recently, an agreement was reached with the Canadian government through the US Department of Commerce to limit the volume of Canadian softwood lumber entering US markets, so pine lumber producers are hopeful of better markets this spring. Pine lumber production has been improving since January 1 but prices have remained soft. Reports from the Federal Reserve Bank in Atlanta commented that "most realtors and builders (in the Southeast) expect a strong spring housing market".

U.S. Forest Service entomologists report that the cold winter weather may have killed as much as 50% of the Southern pine beetle brood crop (immature beetles) but that populations of SPB were so high last year that there will be plenty of beetles this spring to cause another bad year for pine timber owners. Remember, SPB can have as many as 6 to 8 generations of offspring per year. This is likely to have an impact on stumpage markets as we move into warmer weather.

Pine sawtimber prices in January/February were a mixed bag. Prices moved lower in the south, moved higher in central Mississippi and held steady in the north.

On the hardwood side, oak sawtimber moved higher statewide, while mixed hardwood sawtimber held steady or dropped slightly. Many mills reported high log inventories, some higher than ever at this time of year. Most reporters commented that hardwood lumber markets were slow, with number 1 common oak doing fine but upper grades slow and poplar and gum lumber "dead".

In a business development, Weyerhaeuser Company announced it will purchase Cavenham Industries. In the deal, Weyerhaeuser will get the Cavenham Industries, McComb, Mississippi sawmill, timberlands, and lumber contracts with other companies.

In separate sawmill fires before Christmas, two sawmills in Oktibbeha County were destroyed. Hankins Lumber Company pine sawmill at Sturgis was badly damaged as was Johnson Brothers hardwood sawmill on Highway 82 west of Starkville. Hankins Lumber Company has said they plan to rebuild, but no timetable is available. No word on Johnson Brothers plans at this time.

Pulpwood

There was plenty of pulpwood available in January/February which is unusual for this time of year. Many reporters mentioned that quotas were in effect and that the pulpwood market was very slow. Prices for pine pulpwood that did sell however moved higher in the north half of the state while hardwood pulpwood prices were mixed.

The Tennessee-Tombigbee Waterway Authority announced dates when the waterway will be closed due to lock maintenance. The Coffeeville lock (AL) will be closed from June 25 to July 11 while the Bay Springs lock (MS) will be closed from June 26 to June 30, 1996. These down times are routine maintenance and likely will not effect timber markets in the areas they serve.

Other Comments

Some southern pine beetle damaged timber stumpage prices reported in north Mississippi were: Pine sawtimber \$220/MBF and \$250/MBF.

This issue contains graphs of standing and delivered pine and hardwood sawtimber by region for 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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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	285-400	326	300-468	379	230-500	368	250-440	348
Chip-n-saw pine	-	-	50-80	65	-	-	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	80-173	146	140-200	172	44-250	135	120-250	176
Oak sawtimber	170-300	230	250-278	259	250-346	311	250-450	353
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	23-40	32.00	20-45	27.00	10-40	20.75	-	25.00*
Hardwood pulpwood	13-20	17.00	14-35	22.00	8-39	17.25	8-12	11.00

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	375-416	391	375-425	415	385-460	409	-	-
Chip-n-saw pine	-	-	-	-	91-104	101	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	170-230	210	205-250	242	225-300	275	200-300	234
Oak sawtimber	-	305*	320-380	353	425-450	437	350-450	415
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	39-65	51	30-59	47	45-52	48.00	-	49.00*
Hardwood pulpwood	30-45	40	25-47	40.00	35-45	39.25	-	44.00*

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.

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

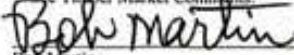
³Soft Hardwoods* are mostly: Cottonwood, Willow, Poplar and Gum.

⁴Rare 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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