



# Mississippi Timber Price Report

Department of Agricultural Economics  
Department of Forestry

Box 9681  
Mississippi State, MS 39762

November/December 1996  
January/February 1997

## 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

Please note that this price report covers November 1996 through February 1997.

The driving force in the timber market this winter has been rain and difficult logging conditions. Many mills have taken down time and are operating on lower-than-usual log inventories. One reporter commented that "the rain pattern has kept logging conditions difficult all winter. It rains every week!" Another reported that "some loggers have had a couple weeks down time." Yet another said "the landowner with winter logging is in the drivers seat this year."

Since the first of the year, lumber markets have improved. Housing starts have moved up and hardwood lumber markets have also firmed. Strong housing starts lately have spurred the pine lumber markets while hardwood lumber has also been selling briskly. Several hardwood lumber mills reported that "lumber sales were good and oak prices have moved a bit higher, but mostly they are glad to be moving lumber inventory." In some cases, hardwood mills are able to sell lumber inventory they've been holding for a year or two. Improved markets for lumber are helping the market for standing timber.

Pine stumpage prices are up sharply this winter. Rainy weather has put wet weather logging tracts in demand and reports are that strong competition is fueling high prices for pine sawtimber. Some sales with good quality and volume of sawtimber on tracts that can be logged immediately have brought \$600 to \$750/MBF,D, but these were the exception. Average pine sawtimber stumpage prices, however, have risen \$40 to \$60 per thousand this winter.

"Winter logging" tracts are seeing the most competition and the highest prices this winter and this is likely to continue. The wet weather this winter has caused most mills to cut winter logging tracts they had in their standing inventory. Hence, even after the woods dry up, mills will be looking to replace winter tracts in their standing inventory for next year.

This reporting period 3 sales that brought more than \$580/MBF,D for pine sawtimber stumpage were reported in North Mississippi. Six sales with pine sawtimber stumpage over \$574/MBF,D were reported in Central Mississippi. Three sales with pine sawtimber stumpage prices greater than \$580/MBF,D were reported in South Mississippi. These prices were very high and great situations for the seller but were kept out of the regional calculations so they would not skew the averages. However, they illustrate how volatile and competitive the timber market can be in difficult weather conditions. Many reporters commented that these prices were too high to be sustained, but remarked also that "unusual things happen in a market like this." "This winter is the wettest we've had in 5 or 6 years," one reporter said, "we'll just ride it out." In the meantime, in some parts of the state landowners have responded by putting more timber sales on the market, but in other areas reporters commented that they didn't have enough timber tracts to cruise. Many pine buyers and mill contacts seemed cautiously optimistic about the lumber market this year.

The situation at the hardwood mills seemed a bit more settled than at the pine mills. Most hardwood mills had low log inventory and some were already cutting stored logs which is a bit early. However, the log supply situation is as most mills anticipated. This has kept standing hardwood sawtimber prices steady.

The hardwood lumber mills are enjoying the improved hardwood lumber market and are moving inventory. Oak lumber prices have been on a slow decline for over a year and a half and now have moved up a bit. The winter weather has curtailed log supplies throughout the region and furniture manufacturers and other users are in need of hardwood lumber. Some reporters commented their lumber inventory was getting low already.

Hardwood mills are looking ahead toward having enough logs in late spring which is the usual time that log supplies get tight for them. With all the rain we've had and the anticipated runoff of snows up north, Delta and river reporters are concerned. Reporters from hardwood mills in North and Central Mississippi commented that they don't expect to be able to log in the river bottoms until July, if the present weather trend continues.

Landowners with good hardwood tracts should stay abreast of the market. Late spring and early summer could be an opportune time to market those tracts.

Some standing hardwood prices reported for individual species in Central Mississippi were: Yellow poplar: \$160/MBF,D; Sweetgum: \$120/MBF,D and White oak: \$200-\$230/MBF,D.

### **Pulpwood**

The pine and hardwood pulpwood demand is very good. Pulpwood reporters commented that the weather situation has mills wanting all they can get. Most pulpwood yards and chip mills are handling as much wood as possible and sending it directly to the pulp/paper plants. No quotas were reported and most yards had limited inventory on hand.

Both pine and hardwood pulpwood prices moved up during the period. One reporter commented that Arkansas pulp mills are so in need of wood now, that hardwood chips from Central Mississippi and even Alabama are being shipped to them. Difficult conditions require bold solutions.

### **Other Comments**

The pole market in South Mississippi continued very active and prices are high. Average pole prices moved higher by \$80/MBF during the period.

No southern pine beetle activity was reported this winter.

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

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

**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	292-512	386	297-537	437	363-550	466	315-526	401
Chip-n-saw pine	60-82	70	70-90	79	70-90	78	-	-
Poles (pine)	-	650*	-	-	600-720	649	-	-
Mixed hardwood sawtimber <sup>2</sup>	80-180	147	75-250	161**	121-200	146	75-200	135
Oak sawtimber	180-370	223	200-330	254	146-280	238	159-350	294
Soft hardwood sawtimber <sup>3</sup>	-	-	-	-	-	-	-	-
Rare hardwood sawtimber <sup>4</sup>	-	-	-	-	-	-	-	-
Pine pulpwood	28-45	36	12-45	26.50	25-45	30.75	18-29	23
Hardwood pulpwood	8-40	21	8-40	18.50	12-20	16.75	12-29	15

**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	400-503	440	475-520	498	450-530	518	-	475*
Chip-n-saw pine	-	-	75-110	96	90-110	104	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber <sup>2</sup>	155-245	221	200-250	228	220-255	230	150-295	220
Oak sawtimber	275-350	312	305-361	330	280-355	325	340-420	400
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	28-57	49	38-65	48	36-52	43	50-70	52
Hardwood pulpwood	28-40	31	30-53	38	30-45	38	32-60	38

<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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