

AGRICULTURAL ECONOMIC NOTES

November/December 1987

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

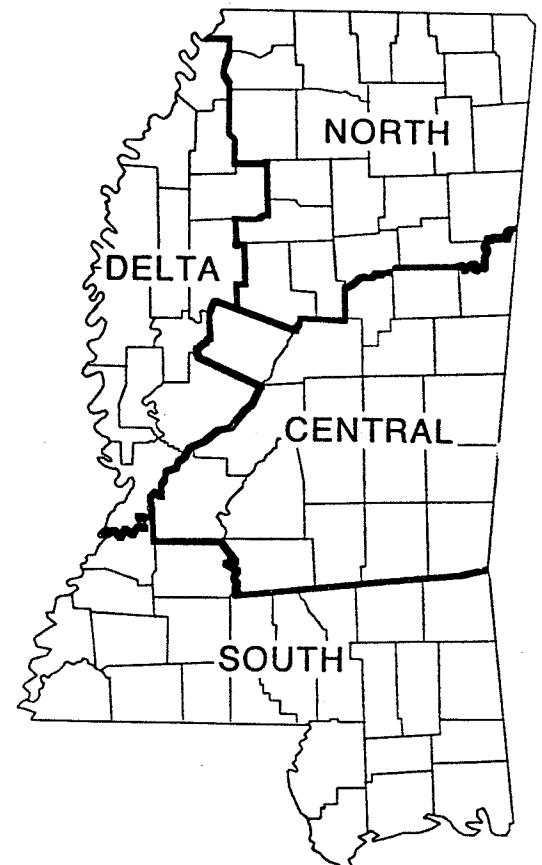
The MCES Timber Price Report is a monthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four market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

Sawtimber

Timber prices and lumber prices are strong in south Mississippi with prices expected to hold into early 1988. Lumber prices have improved after early slippage in September and October. Some stumpage sales of very high quality pine were reported in the \$225-\$249/MBF range.

Reported pine timber prices in the southeast tend to average higher than those in the southwest. November/December delivered pine prices reported for southeast Mississippi average \$246/MBF. Average prices reported for pine in southwest Mississippi were \$206/MBF.

The hardwood market remains firm with oak and ash markets strongest. With furniture manufacturers expecting slow growth in output in 1988 hardwood lumber markets should remain good. In the Delta delivered prices for ash ranged from \$250-\$300/MBF, averaging \$282/MBF. Poplar ranged from \$160-190/MBF, and pecan, hickory, and hackberry averaged \$146/MBF.

The most common comment from mills is that there are plenty of logs. Logging conditions in November and early December were excellent due to dry weather and many mills are out of places to stack logs. Some mills are still taking logs but are being selective about the quality and species. A few mills were "blocked out" with many having two to three month inventories on hand. Some pine mills in the south, however, were moving large quantities of lumber through market channels and had not increased log inventories as much as intended.

In the central district some reported delivered prices for specific species were yellow poplar - \$160/MBF, ash - \$210/MBF and Eastern red cedar - \$70/cord.

Pulpwood

Pulpwood prices did not change markedly from the last report. As with sawtimber, good logging conditions have allowed yard inventories to accumulate. Pulpwood haulers during the dry weather have hauled larger supplies of pulpwood to the market making current pulpwood demand sluggish.

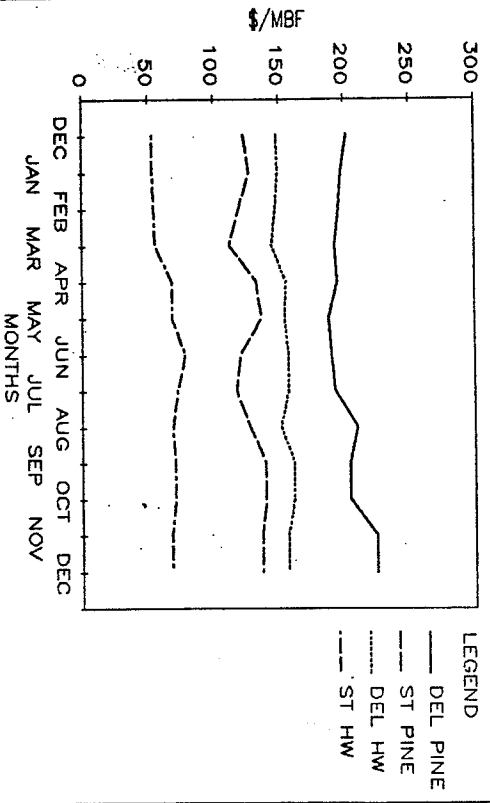
In north Mississippi, landowners should check their local hardwood pulpwood market. In some areas pulpwood yards are not buying hardwood pulpwood.

High lumber production has also caused an increase in chip supplies in south Mississippi. Some chip buyers have now limited chip purchases because of large chip supplies on hand.

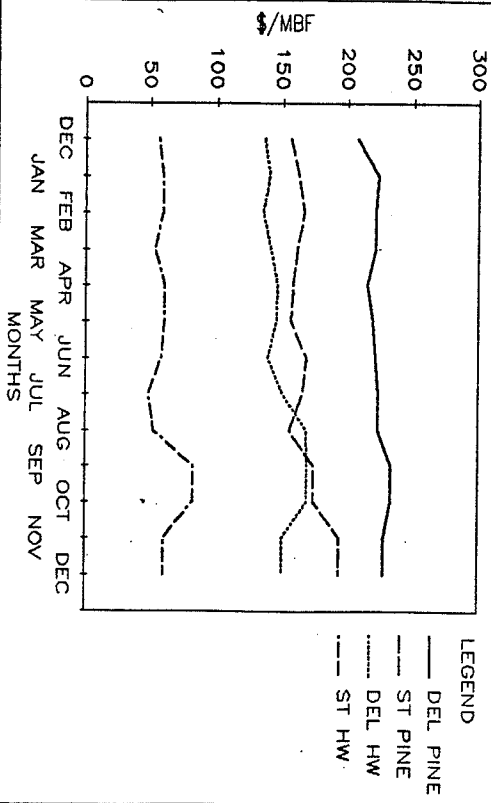
Other Comments

This issue is a two-month report covering November and December market activity. Charts plotting monthly sawtimber prices for 1987 are presented in this issue.

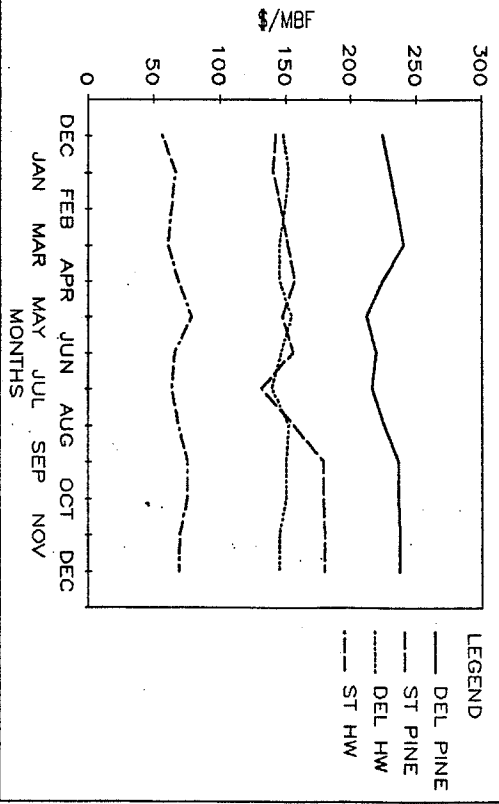
DELIVERED AND STANDING SAWTIMBER
PRICES FOR DEC 1986 - DEC 1987
NORTH



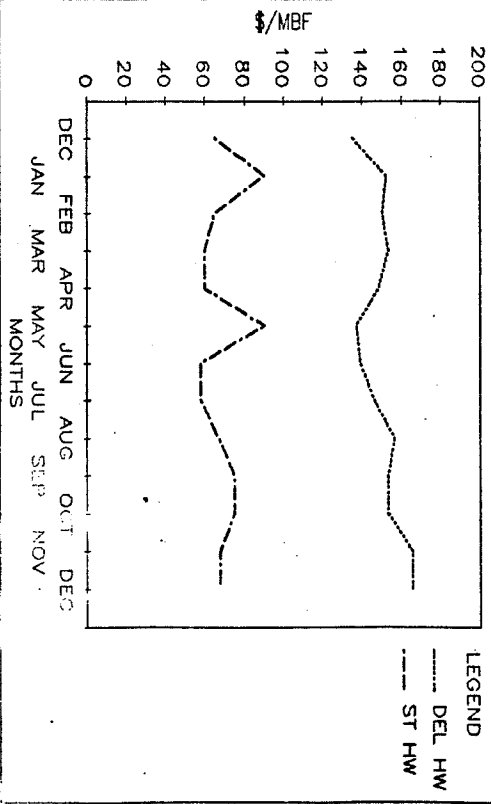
DELIVERED AND STANDING SAWTIMBER
PRICES FOR DEC 1987 - DEC 1987
SOUTH



DELIVERED AND STANDING SAWTIMBER
PRICES FOR DEC 1986 - DEC 1987
CENTRAL



DELIVERED AND STANDING SAWTIMBER
PRICES FOR DEC 1987 - DEC 1987
DELTA



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STANDING TIMBER

	North		Central		South		Delta	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	116-170	136	155-202	180	145-258	194	-	-
Chip-n-saw pine	27-32	29.50	-	23*	-	-	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	50-80	67	55-110	69	52-64	60	50-80	68
Oak sawtimber	-	90*	95-180	126	-	-	135-160	148
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	8-10	9	7-12	10	8-15	12.00	-	8*
Hardwood pulpwood	-	4**	3-6	4.50	4-10	7.50	5-6	5.75

DELIVERED PRICES⁵

	North		Central		South		Delta	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	200-240	224	200-250	237	180-258	228**	-	-
Chip-n-saw pine	-	63	-	62*	54.50-68.50	63.50	-	-
Poles (pine)	-	-	-	-	300-333	317	-	-
Mixed hardwood sawtimber ²	140-160	156	135-155	145	140-165	150	140-185	165
Oak sawtimber	-	-	180-230	216	-	-	250-300	261
Other hardwood sawtimber	-	-	160-210	**	-	-	120-330	**
Pine pulpwood	33-40	36	30-37	33	34-37	35.50	26.50-40	33.50
Hardwood pulpwood	-	29*	26-32	28	26-30	27.50	31-32	31.25

¹Prices reported are for timber market transactions during the previous 60-day period, sawtimber prices in \$/MBF Doyle, chip-n-saw and pulpwood prices in \$/cord.

²"Mixed Hardwoods" are mostly: Ash, 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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