



MCES Timber Price Report

Extension Agricultural Economics Department
Extension Forestry Department

March 1988

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

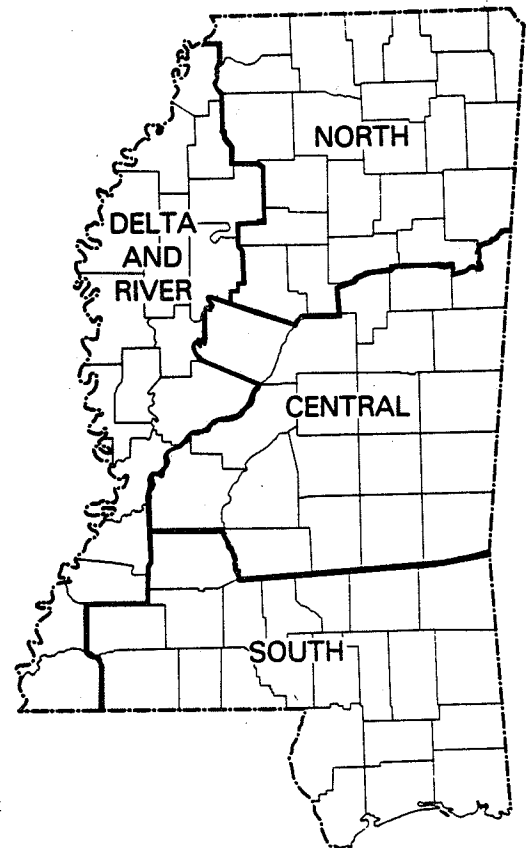
The MCES Timber Price Report is a monthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four market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

Wet weather was a problem for some in March but most mills reported that rains had not slowed down logging operations for very long. Some mills had the opportunity to reduce an inventory that had not been used because of good winter logging conditions.

Most hardwood mills reported that the markets were holding firm and log inventories were good. One report indicated that flooring oak prices had weakened some but a couple of mills reported positive changes in export markets. Prices for No. 1 common red oak has apparently stabilized after previous declines. Because of the larger volume of lumber processed in the last few months, several mill owners are concerned about moving chips. Delivered and standing hardwood sawtimber prices were strong with little change from last month. Delivered ash prices ranged from \$220 to \$330/MBF averaging \$264/MBF in the Delta and River region.

Delivered and standing pine sawtimber prices remained strong in the south with reported March prices in line with last month's figures. Delivered pine sawtimber prices averaged \$250/MBF in the southeast and \$213/MBF in the southwest. Some reporters indicated a slight slippage in the market for some lumber products.

The rare hardwood price in North Mississippi was for veneer quality white oak and high grade red oak.

Pulpwood

Delivered pulpwood prices for pine and hardwood remained steady with a slight decline shown in stumpage prices. The pulpwood market is poor with mill inventories generally high. Pine pulpwood is in oversupply due to good production through a dry winter. Also, one paper mill is shut down for maintenance. Pulpwood dealers are pessimistic for spring and summer since logging conditions will be good and most are already on quota. Also, saw mills producing larger chip volumes has impacted the pulpwood market.

Other Comments

The market for finished poles was reported as "not very strong." The various pole lengths and sizes create a difficulty in reporting pole prices for specific pole classes. However, prices for poles remains very attractive to timber producers.

Foresters report southern pine beetle problems in North Mississippi north of a line from Grenada to Bruce over to Tupelo. One forester reported finding fresh SPB spots on 10 of 12 company tracts checked recently. Another forester said that SPB was "raging." Forest landowners should check their timber this spring. SPB outbreaks could also adversely affect the pine timber market in North Mississippi.

Foresters in the north and central regions report on increasing number of timber sales on the market in March.

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STANDING TIMBER

| | North | | Central | | South | | Delta | |
|---------------------------------------|-----------|---------|----------|---------|----------|---------|----------|---------|
| | Low-High | Average | Low-High | Average | Low-High | Average | Low-High | Average |
| Pine sawtimber | 110-177 | 137 | 150-203 | 167 | 150-220 | 177 | - | - |
| Chip-n-saw pine | - | - | 27-30 | 28.30 | - | - | - | - |
| Poles (pine) | - | - | - | - | - | - | - | - |
| Mixed hardwood sawtimber ² | 50-90 | 66.50 | 55-95 | 69** | 40-66 | 47 | 40-113 | 67 |
| Oak sawtimber | 73-125 | 96 | 80-110 | 93** | - | - | 147-210 | 170 |
| Soft hardwood sawtimber ³ | - | - | - | - | - | - | - | - |
| Rare hardwood sawtimber ⁴ | - | 200** | - | - | - | - | - | - |
| Pine pulpwood | 7-10 | 8.50 | 6-12 | 9.75 | 6.75-15 | 10.50 | - | - |
| Hardwood pulpwood | 3.50-4.50 | 4 | 2-6 | 5 | 4-10 | 6.25 | 7-8 | 7.50 |

DELIVERED PRICES⁵

| | North | | Central | | South | | Delta | |
|---------------------------------------|----------|---------|----------|---------|-----------|---------|----------|---------|
| | Low-High | Average | Low-High | Average | Low-High | Average | Low-High | Average |
| Pine sawtimber | 200-220 | 206 | 210-250 | 232 | 180-280 | 233** | - | - |
| Chip-n-saw pine | - | - | - | 55 | 60-68 | 64.25 | - | - |
| Poles (pine) | - | - | - | - | 36-42/ton | 37.50 | - | - |
| Mixed hardwood sawtimber ² | 140-175 | 159 | 130-150 | 145** | 140-155 | 148 | 120-188 | 151 |
| Oak sawtimber | 160-225 | 182 | 200-250 | 223 | - | - | 220-300 | 254 |
| Other hardwood sawtimber | - | - | - | 90 | - | - | 150-300 | ** |
| Pine pulpwood | 31-41 | 33 | 30-35 | 32 | 33-37 | 35.00 | - | - |
| Hardwood pulpwood | 27-38 | 29 | 27-32 | 29 | 26-28 | 26.75 | - | - |

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: 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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