MISSISSIPPI COOPERATIVE EXTENSION SERVICE
Mississippi State University, United States Department of Agriculture, Counties Cooperating

MCES Timber Price Report

Agriculture Economics Department
Extension Forestry Department

Box 9681
Mississippi State, MS 39762

September/October 1993

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

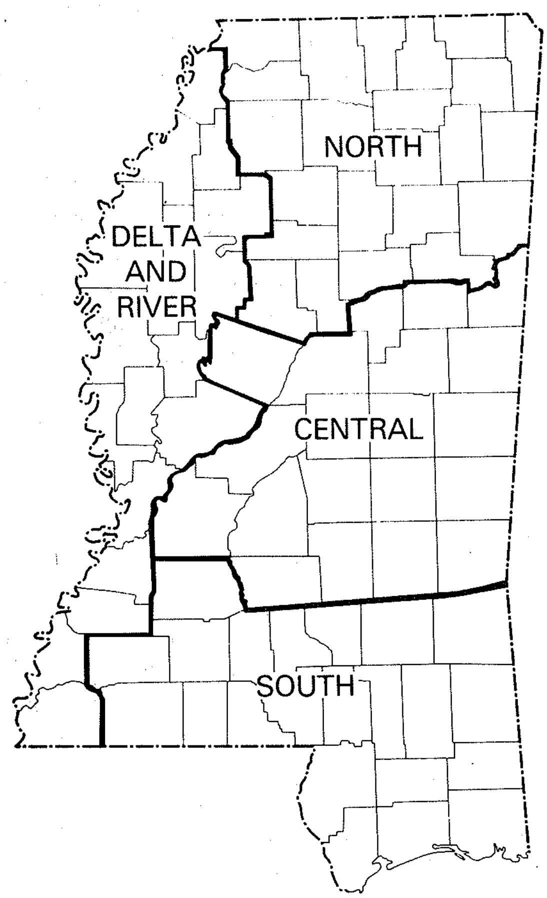
The MCES Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four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

During September and October, good harvesting conditions allowed loggers to be active and mills throughout the state built log inventories. Hardwood mills, as usual, continued building log inventories for winter while pine mills seemed to be competing for winter logging stumpage. Average pine stumpage prices moved higher in nearly all regions of the state, but many reporters commented that there seemed to be fewer sales on the market.

Pine mills reported that lumber prices remained good during September/October while hardwood producers commented that their lumber market was steady to a bit lower. Many pine lumber producers are being cautiously optimistic about the pine lumber market for next spring. While they expect lumber prices to be soft until the first of the year since the construction season is over, much of the rebuilding need from the Midwest floods and even Hurricane Andrew in Florida has not been satisfied. The Pacific Northwest "lockup" also remains a factor in the southern pine lumber market. Those factors combined with the usual treated wood industry purchasing, that normally occurs in January or February, has pine lumber producers cautiously optimistic.

Several reporters commented about the development of north Mississippi's forest industry in the past 10 years. In 1980 Weyerhaeuser opened its Columbus pulp and paper complex. Since then, the industries around Grenada (Georgia Pacific, Louisiana Pacific, Newsprint South, etc.) have sprung up. In northeast Mississippi, the Tenn-Tom Waterway opened in 1985 and no fewer than 6 chip mills have been located there. Other industries have also expanded or opened to utilize the north Mississippi forests, among them the growing upholstered furniture industry. There is no question that north Mississippi forestry has changed greatly in a short time.

Most reporters mentioned that fewer sales were available during September/October except for an area of north Mississippi where hardwood sales were reported as "active." However, logging activity was brisk during the period. Apparently, many mills have been logging stands they had purchased last spring and early summer. The sales that did occur, however, were very competitive especially for winter logging tracts. Three pine sales reported, but not included in the averages, were reported at over $400/MBF,D.

A reported stumpage price for pine pole in the central region was $425/MBF,D. Also, another reporter gave a stumpage price in the central region for spruce pine logs of $200/MBF,D.

Pulpwood

The pulpwood market has been active, especially for hardwood pulpwood, but while pulp mills have been wanting wood, the price seems to have remained steady to a bit higher. Several north Mississippi reporters commented that the wood chip mills along the Tenn-Tom Waterway have been wanting timber and were drawing from all over north Mississippi.

Pulp mills have been building winter inventory, in hardwood especially. The rains in early November also improved the demand for pulpwood, but most mills apparently have their inventories in good shape.

Other Comments

The pole market has remained active and prices for poles are described as "strong."

Southern pine beetles have apparently been little problem this summer. A few reporters mentioned some incidence of SPB, but in general they haven't been a problem according to price report contacts.

The latest USFS survey for north Mississippi has been released. It shows increased cutting in north Mississippi with pine inventories most affected. Timberland acreage has increased 10 percent with pine plantations now occupying 16 percent of the north Mississippi forest. Also, 41 percent of north Mississippi's forests are in seedling-sapling stand class compared to 23 percent in that class in 1987. Copies of the publication, Resource Bulletin SO-180 are available from the USFS in Starkville (324-1611).

This issue contains graphs of standing and delivered pulpwood prices for the past two years.

Anyone can get copies of the MCES Timber Price Report from the local Extension Office. The report is now available through the MCES 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 or Extension Forestry at Box 9781, Mississippi State, MS 39762.

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

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DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER[1]

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	225-375	289	250-375	301	190-373	274	200-287	256
Chip-n-saw pine	-	-	52-65	57	-	50*	-	-
Poles (pine)	-	-	-	-	350-435	394	-	-
Mixed hardwood sawtimber[2]	100-150	128	100-175	140	58-215	106	60-225	120
Oak sawtimber	175-270	235	200-275	240	250-365	308	275-350	306
Soft hardwood sawtimber[3]	-	-	-	-	-	-	-	-
Rare hardwood sawtimber[4]	-	-	-	-	-	-	-	-
Pine pulpwood	10-45	27	12-32	20	8-37	18.50	8-15	11.75
Hardwood pulpwood	18-20	13.25	8-16	13	6-22	10.00	7-10	8.25

DELIVERED PRICES[5]

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	304-375	345	335-380	365	350-400	372	-	-
Chip-n-saw pine	-	-	-	-	72-91	86	-	-
Poles (pine)	-	-	-	-		48/T*	-	-
Mixed hardwood sawtimber[2]	215-260	229	215-250	235	200-270	258	180-265	211
Oak sawtimber	300-425	358	321-360	342	350-435	393	300-400	366
Other hardwood sawtimber	-	-	-	-	-	-	185-390	**
Pine pulpwood	43-56	50	43-52	47	42-66	50.75	-	46*
Hardwood pulpwood	38-62	49	38-51	45	35-45	38	43-44.75	44

[1]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.

[2]"Mixed Hardwoods" are mostly: Low-grade Oak, 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.

[5]Delivered prices are values given at the sawmill or pulpwood yard gate.

*Only one price reported.

**See Timber Market Comments.

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