



MCES Timber Price Report

Agriculture Economics Department
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Box 9681
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May/June 1994

MISSISSIPPI TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

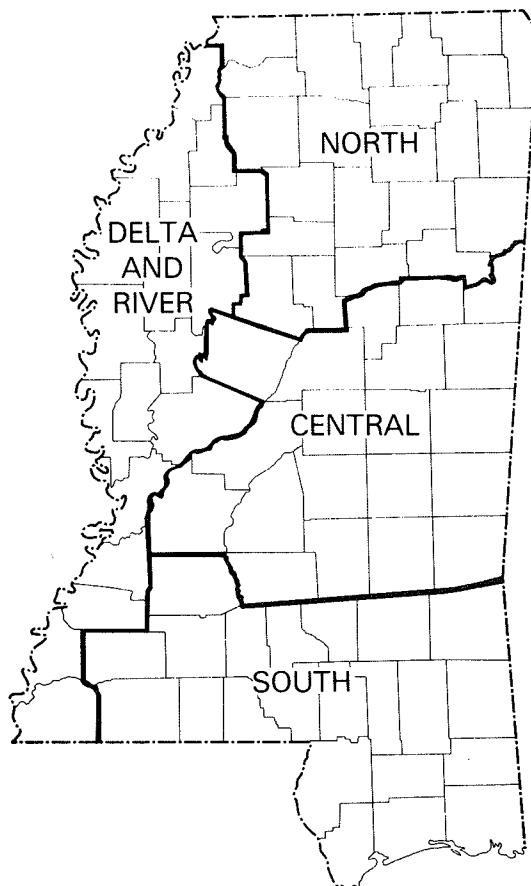
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Cooperative Extension Service to provide an accurate picture of timber market activity.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

A dry May in most areas provided good logging conditions, but in some areas wet weather problems began to develop by late June. As a result, some mills reported lower than usual log inventories and others reported log inventories high for this time of year.

Average stumpage prices for pine have moved lower, as is common for this time of year. Several buyers indicated that there were fewer sales being offered lately, but one in central Mississippi commented that "prices for quality timber are still good." In north Mississippi, some ice storm salvage work is still continuing, but most reporters agreed that the peak of salvage activity is past. Log inventories range from "blocked out" to a few mills being down to "2-3 days run" in south Mississippi. Standing pine sawtimber stumpage prices averaged \$361/MBF,D in the southeast and \$362/MBF in the southwest. The average reported price for gate logs (delivered) was \$390/MBF,D in the southeast and \$387/MBF in the southwest. Historically, southeast Mississippi prices have been higher than southwest prices, but recently this difference has essentially disappeared. On the hardwood side, the rains late in June has caused logging problems in some areas. Logging along the Mississippi River in flood plain areas remain limited, but some mills in the south area reported more logs available than normal. In the northeast, late June rains have some procurement foresters in a bind. A few reporters commented that rains have made logging jobs that must be cut this summer too wet to harvest. Some were worried about being able to get this timber before Fall.

Average prices for hardwood sawtimber have changed very little, moving up a bit statewide. Oak still drives the hardwood market, but the lumber volume moving in the market has slowed lately. Prices for number 1 and 2 common oak have been declining, but have held firm for FAS (the best grade).

Pulpwood

The pulpwood market has slowed. Several mills, especially some of the large pine using mills have stopped taking pulpwood or placed quotas on suppliers. Haulers have had to drive further and further to find buyers. Some reporters in the Delta and River and southern areas commented "you can't get rid of hardwood pulpwood now." In north Mississippi, salvage work from the ice storm continues, but has past its peak. There is lots of pulpwood available there too. The Tenn-Tom Waterway closed down early in July for maintenance, but some of the chip mills will continue chipping through the down period. Pulpwood prices this period are mixed, but generally lower statewide.

Other Comments

Chip-N-Saw prices remained good this period. Pole prices were lower both for stumpage and delivered due to declining domestic and foreign markets for poles.

Reporters commented that very little southern pine beetle activity is evident around the state even in the north Mississippi ice damaged areas. Foresters are keeping a close eye on north Mississippi, however.

The Forest Service has released its Central Mississippi Forest Survey results. So far, North Central and South Mississippi surveys have been published with the Delta and Southwest yet to come.

Recent revised estimates of the value of Mississippi's timber harvest for 1993 show the value at \$1.02 billion. Timber in 1993 was Mississippi's first billion dollar crop. Pine products accounted for 71% of the 1993 value.

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 Box 9755 or Extension Forestry at Box 9681, 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 TIMBER¹

	<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	241-420	310**	271-436	360	240-430	361	300-400	337
Chip-n-saw pine	-	-	47-60	53	45-67	56*	-	-
Poles (pine)	-	-	-	-	-	430*	-	-
Mixed hardwood sawtimber ²	110-165	141	100-180	137	74-150	131	146-202	150
Oak sawtimber	160-250	215	175-210	193	-	-	250-365	355
Soft hardwood sawtimber ³	-	-	-	**	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	18-28	23	10-28	17.25	9-25	17.25	12-15	13.50
Hardwood pulpwood	5-18	12.50	7-24	13	7-20	12.50	5-12	9.00

DELIVERED PRICES⁵

	<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	310-380	360	310-440	400	366-400	388	-	-
Chip-n-saw pine	-	-	-	-	78-94	89-50	-	-
Poles (pine)	-	-	-	-	-	48/T*	-	-
Mixed hardwood sawtimber ²	215-275	233	210-260	220	190-225	210	190-200	196
Oak sawtimber	-	324	-	-	275-400	315	380-440	405
Other hardwood sawtimber	-	-	-	-	-	-	190-400	**
Pine pulpwood	47-58	51	42-53	46.50	44-56	47.75	-	47*
Hardwood pulpwood	42-51	48.50	35-43	39	35-49	39.50	42-43	42.50*

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.

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.

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

*Only one price reported.

**See Timber Market Comments.

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