



Mississippi Timber Price Report

Department of Agricultural Economics

Department of Forestry

Box 9681
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November/December, 1995

MISSISSIPPI TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

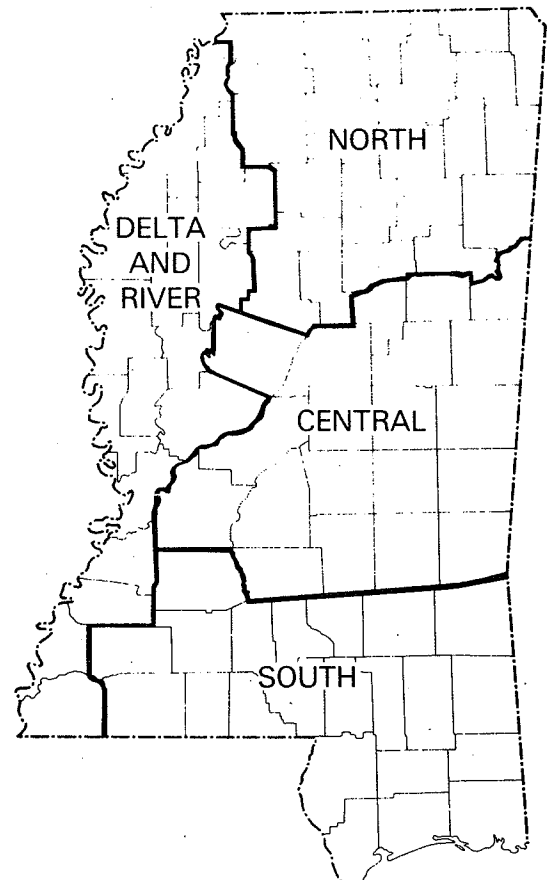
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Cooperative Extension Service to provide an accurate picture of timber market activity.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

The last period of 1995 was slow. Timber purchase activity at many mills was sluggish and many had taken down time at Christmas. Most had good log yard inventories. In general, mills were facing soft lumber markets and had plenty of logs available. However, several mills reported low standing timber inventories.

On the pine side, the southern pine beetle outbreak of 1995 is in recess for the winter. The Mississippi Forestry Commission estimates that over 5,000 spots were identified in 1995 with about \$14.6 million in timber damage. Much of that timber came on the market and depressed prices. In addition, Canadian lumber imports adversely affected pine lumber markets causing a downward trend in pine lumber prices since early summer. These forces have combined to lower pine stumpage prices late in 1996. Most mills contacted reported the pine lumber market slow and prices low. In addition, many buyers commented that they thought pine stumpage prices were too high. One reporter commented that "there's not that much timber on the market and what was for sale, bids were being rejected." Another contact said that "many folks are waiting until after the New Year to put their timber up for sale." It appeared that what was selling was winter logging and good quality timber. Average pine stumpage prices stayed steady or moved up a bit in November/December. Average pine stumpage prices have fallen about 10% in 1995.

Despite pine sawlog prices moving lower this year, prices are still good - a statewide pine stumpage price average of about \$355/MBF, Doyle. This is compared to about a \$380/MBF, Doyle or higher average a few years ago. Against this background however, we still had some price reports for pine sawlog stumpage over \$500/MBF, Doyle so it pays for landowners to know what they have to sell and market it properly. Apparently, some of these high-priced sales were mills competing for good "winter logging" tracts or quality timber to add to a low standing inventory.

The hardwood stumpage market seems to be reacting to a slow lumber market. Hardwood lumber prices have been soft the last half of 1995, especially with red oak. But, the worst may be over as some reporters commented that "the lumber market was a little better and hopefully red oak has bottomed out." Though hardwood lumber markets have been sluggish, several mill reporters commented that the period between Thanksgiving and Christmas is normally a slow time and that they were optimistic about 1996. All in all, several remarked 1995 had been a good year, but currently markets were slow.

Mixed hardwood sawtimber stumpage generally moved up slightly while oak stumpage moved down slightly. A few timber buyers commented that "not much timber was on the market" in November/ December.

Pulpwood

Pulpwood seemed in good to normal demand in November/December, especially hardwood pulpwood. Plenty of pine pulpwood - available because of southern pine beetle - had dropped prices lower earlier in the year, but one reporter commented that pine pulpwood prices had come back to normal. Pulpwood prices in this report have generally moved a bit higher which is typical for winter.

Other Comments

Southern pine beetle activity has slowed for the cold weather, but MFC advises that if the pattern of past years holds true, 1996 should see as much or more beetle activity as 1995. We'll see what this year brings, but landowners are advised to keep an eye on their timber.

The demand for cedar logs has begun to rise. Eastern red cedar grows throughout Mississippi, but the counties with the largest volume of redcedar sawtimber in descending order are: Wilkinson, Noxubee, Yazoo, Calhoun, Hinds, Madison, and Webster. Other counties may have significant redcedar stands. If you have redcedar logs to sell, the George C. Brown Cedar Company is interested. They are a national producer of cedar products from closet lining to novelty items to cedar oil. The contact for Mississippi is Mr. Russ Agee, VP for Lumber. If you'd like to collect cedar logs at your mill site or sell a tract of redcedar, contact him at (800) 243-7010 or (615) 685-0625.

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 P.O. Box 9755 or Extension Forestry at P.O. Box 9681, Mississippi State, MS 39762.

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

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DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER¹

<u>Delta and River</u>	<u>North</u>		<u>Central</u>		<u>South</u>			
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	285-460	326**	226-425	351**	300-525	381	225-350	265
Chip-n-saw pine	-	-	-	60*	-	-	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	133-180	149	100-249	160	81-200	135	90-200	149
Oak sawtimber	-	195*	-	250*	230-250	238	240-350	280
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	21-45	29.00	20-45	22.50	12-40	22.75	20-30	25.00
Hardwood pulpwood	12-40	19.25	13-31	17.00	8-25	17.25	10-12	11.00

DELIVERED PRICES⁵

<u>Delta and River</u>	<u>North</u>		<u>Central</u>		<u>South</u>			
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	370-400	385	370-433	421	385-530	435	-	-
Chip-n-saw pine	-	-	-	94*	91-104	101	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	163-238	205	200-263	248	225-300	275	200-300	250
Oak sawtimber	-	300*	316-370	345	400-425	413	350-450	414
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	43-71	49	30-55	48	47-49	47.75	-	54.50*
Hardwood pulpwood	31-47	41	28-51	41.50	36-42	38.75	50-53	51.75

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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