Mississippi State University Extension Service

Mississippi Timber Price Report

Department of Agricultural Economics • Department of Forestry

Box 9681
Mississippi State, MS 39762

July/August, 1999

MISSISSIPPI TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

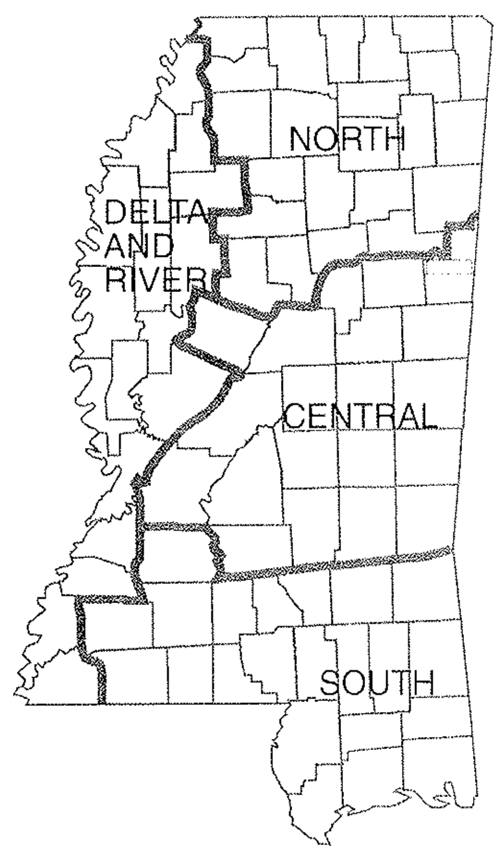
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Mississippi State University Extension Service to provide an accurate picture of timber 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 sawtimber stumpage markets in July /August generally extended the market conditions we saw in May/June. The pine lumber market experienced a significant decline in July, in part due to the 4th of July break normally taken by many sawmills and in part attributed to the unusually hot weather hampering construction. Despite the pine lumber market slip, southern pine 2x4 #2 KD lumber prices in late August remained about 15% higher than they had been during the same period a year ago. These prices and good pine lumber demand due to a good housing market kept pine sawtimber the best part of our standing timber market.

Several reporters commented that sawlog markets were good but that tracts with high percentages of pulpwood were in less demand. Pine sawtimber prices for the period remained good and by the end of August contacts were reporting more sales coming to the market. As August ended, buyers were reporting that they were looking to buy more standing timber as fall and winter approach. One forester commented that some mills in his area (central Mississippi) had cut some winter tracts this summer and would be looking for more stumpage to "restock" standing timber inventories.

Many consultants reported that their clients have been holding their timber off the market this summer but that more are now inclined to market their tracts this fall. Many reports received for this issue showed 6 or more bids. Generally, pine sawtimber prices held steady statewide in the $440 to $460/MBF range.

Many foresters continued working on thinning plantations and other management activities in July/August. Most pine mills reported they were satisfied with their current log inventories.

A standing price of $360/MBF was reported in south Mississippi for spruce pine sawtimber.

On the hardwood side, hardwood lumber markets remained active with demand for #2 and #3 red oak good but demand for #1 lumber (often sold for export) "below par". Ash lumber demand was reported to be picking up and poplar lumber was moving well. Lumber prices were slowly improving but prices across the board are lower than they were at this time last year.

Standing mixed hardwood sawtimber average prices moved a bit lower and oak sawtimber prices held steady statewide. Some mills reported that they were building log inventories for winter operations and were expecting to continue through the fall.

Pulpwood

The pulpwood market remained slow in July/August. Some reporters described it as "awful" and most contacts I talked with asked when we might get some improvement in the pulpwood market? That improvement will come soonest when the rainy season begins, as it normally does, but longer-term recovery of pulpwood demand is dependent on the recovery of the pulp and paper sector currently suffering from too much production capacity for the current market.

Pulpwood demand was reported improving a bit by some contacts , but prices have stayed low. Prices for pulpwood, overall, were steady.

Other Comments

Some contacts reported beetle activity but were not sure if southern pine beetle was the culprit. The U.S. Forest Service report on the southern pine beetle (SPB) situation was published in June. According to USFS, beetle populations are high in Alabama and the Piedmont of South Carolina, but are "static/ low" in other states (including Mississippi). Trapping has revealed "an unprecedented low level of SPB activity in the western gulf states." Based on the report, Mississippi SPB infestations should be "static/ low" or "declining/low" in 1999. This is good news but it remains a good idea for forest landowners to check forests periodically for signs of southern pine beetles.

A review of our timber market for the first half of 1999 indicates that the volume of timber being harvested this year is about the same as 1998 but prices are generally lower. Pine sawtimber stumpage prices have held even compared to 1998's average but other product prices have dropped. Mixed hardwood sawtimber and oak sawtimber average prices for the first half of 1999 were 10% and 4.5% lower, respectively than 1998's yearly averages. Pulpwood prices were also lower. Pine pulpwood prices for January through June, 1999 were 18% lower than 1998's yearly average and average hardwood pulpwood prices were 28% lower. These figures confirm what many landowners have realized this year, our sawlog markets have been fairly steady but pulpwood markets have been very poor.

Would you like to receive Mississippi Timber Price Report (MTPR) information by E-mail? If you would like to receive a short version of the MTPR to your E-mail box send a message requesting this to the following address: bobd@ext.msstate.edu. We'll use your requests to create a distribution list to send this information to you.

The Mississippi Timber Price Report is now available on the World Wide Web. It can be accessed through the Mississippi State University Extension Service Homepage at <http://www.ext.msstate.edu>. Select "Agriculture and Natural Resources" then select "Forestry" and then "Timber Prices." Current price reports are available and other price data is being added.

Anyone can get copies of the Mississippi Timber Price Report from the local Extension office. For the latest timber prices, call your County Extension Office or to get on the mailing list, contact Extension Forestry at 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 TIMBER[1]

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	370-490	441	410-495	445	395-490	462	380-470	439
Chip-n-saw pine	80-90	83	70-95	86	75-98	89	-	81
Poles (pine)	-	-	-	-	-	550	-	-
Mixed hardwood sawtimber[2]	160-220	180	110-220	170	125-210	168	121-185	161
Oak sawtimber	250-350	290	220-400	320	200-330	270	310-420	355
Soft hardwood sawtimber[3]	-	-	-	-	-	-	-	
Rare hardwood sawtimber[4]	-	-	-	-	-	-	-	-
Pine pulpwood	19-31	27	18-35	20	20-34	22	10-25	19
Hardwood pulpwood	12-20	16	6-18	15	7-16	14	8-19	12

DELIVERED PRICES[5]

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	475-505	495	480-515	495	485-515	502	-	-
Chip-n-saw pine	-	-	89-122	102	90-122	110	-	-
Poles (pine)	-	-	-	-		-	-	-
Mixed hardwood sawtimber[2]	215-270	241	221-280	268	225-270	245	195-260	237
Oak sawtimber	330-390	365	350-415	388	340-410	355	350-450	430
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	25-60	43	26-47	40	30-60	41	26-43	38
Hardwood pulpwood	30-58	30	25-45	34	22-51	35	25-37	31

[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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