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

MCES Timber Price Report

Agriculture Economics Department
Extension Forestry Department

P. O. Box 5446
Mississippi State, MS 39762

May/June 1993

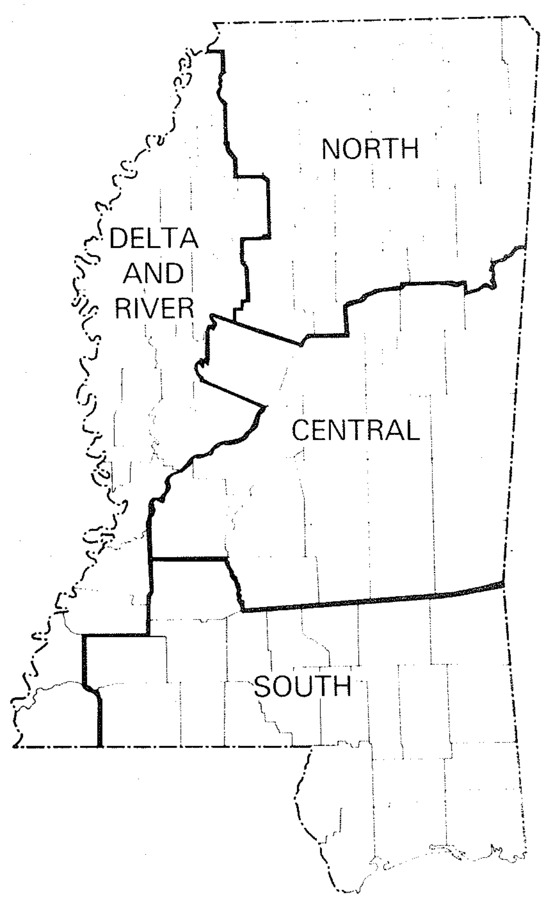
MCES TIMBER PRICE REPORT

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.

 Form 868

3. TIMBER MARKET COMMENTS

Sawtimber

Much drier weather in May and June increased logging activity in the state and decreased the supply shortages that many mills were experiencing. Both pine and hardwood prices remain strong but current factors are putting more downward pressure on pine prices than on hardwood. Although bids remain high the number of mills bidding on pine tracts have decreased since March and April and the fierceness of the competition has eased.

Supply and demand factors effecting pine sawtimber have changed faster than have those in the hardwood industry. Pine mills have gone from very low log inventories to very high log inventories in a short time. A few mills have limited their gate logs so they can begin cutting their own inventories. Some feel a need to cut their own inventory while prices are relatively high.

The pine lumber market has dropped since the last report. Pine lumber prices which shot up in January and February have taken an equally sharp drop in recent weeks. Earlier prices pushed landowner price expectations high with some current bids now being rejected by timber land owners. Several pine sawtimber reporters mentioned that some landowners were rejecting the high bids and holding on to their timber hoping the market goes up later. As a result pine sawtimber prices were down statewide.

In the Southeast standing pine sawtimber prices averaged $305/MBF,D and in the Southwest standing prices averaged $263/MBF,D both down from the Mar-Apr report.

In the hardwood industry lumber markets remained strong and prices continued near the Mar-Apr level. One reporter said that "Good (hardwood) timber was bringing good prices." Most mills reported lots of logs and good inventories but buyers in some areas, especially in South Mississippi, reported that very few logs were coming in and some hardwood tracts were still too wet to log even in mid June. These mills were in need of logs to continue normal operations. Logging difficulties were more common in the southern half of the state.

Competition among hardwood sawmills remains keen with out of state mills joining in the competition in border areas. Some buyers are concerned about the continued availability of good hardwood sawtimber with so much timber being cut in their areas.

Prices for oak averaged over $300/MBF,D in the Delta and River area with one sale of over $500/MBF reported earlier. Later in the May-June period prices seem to be stabilizing. In central Mississippi, delivered yellow poplar prices were $300/MBF and species other than oak were $225/MBF.

Pulpwood

The recent dry weather has resulted in an abundance of both hardwood and pine pulpwood being brought to the mills. Although pulpwood prices often do not change much as supplies increase, average prices reported in some areas has dropped since the Mar-Apr period. Average pine stumpage prices were down $3-5/cord in the South and Delta and River areas with average hardwood stumpage prices down $2-3/cord. One reporter said that "We've hit the wall on pulpwood." Although there was some "blocking out", most mills continued to take pulpwood. In the north and central regions, however, prices for both pine and hardwood pulpwood remained much more stable. In central Mississippi, redcedar wood was bringing $70/cord delivered.

Other Comments

The pole market continues to be strong with prices holding. Reported stumpage prices in some areas in the South were around the $400/MBF level.

No large outbreaks of pine beetles were reported in any area of the state. Reporters did not see any more beetle damaged timber than usual entering the mills. Hopefully the feared outbreaks will not occur at the levels some anticipated after a mild winter and a period of dry hot weather.

The MCES Timber Price Report was recently made available through the MCES County Computer Network to all County Extension Offices. Call your local Extension Office to get the most current timber prices available.

This issue contains graphs of standing and delivered pulpwood prices for the past two years. A new graph format has been used to show the price data with the graphs.

Anyone can get copies of the MCES Timber Price Report from the local Extension Office or to get on the mailing list contact Extension Agricultural Economics or Extension Forestry at P.O. Box 5446, Mississippi State, MS 39762. Your comments 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	193-370	277	225-372	382	210-350	274	180-300	231
Chip-n-saw pine	40-63	51	33-57	45	-	52*	-	50
Poles (pine)	-	-	-	-	350-450	392	-	-
Mixed hardwood sawtimber[2]	80-231	121	99-250	137	90-160	120	50-160	110
Oak sawtimber	150-233	196	225-300	275	-	-	280-425	338
Soft hardwood sawtimber[3]	-	-	-	-	-	-	-	-
Rare hardwood sawtimber[4]	-	-	-	-	-	-	-	-
Pine pulpwood	12-30	23	9-50	20	8.50-18	14.50	11-18	14.25
Hardwood pulpwood	10-22	16	4.50-22	12.25	5-10	7	5-10	7.50

DELIVERED PRICES[5]

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	290-345	322	300-375	348	275-380	338	-	-
Chip-n-saw pine	-	-	-	-	75-94	87	-	-
Poles (pine)	-	-	-	-	42-48	48/T*	-	-
Mixed hardwood sawtimber[2]	180-250	220	230-250	241	200-270	237	180-300	220
Oak sawtimber	-	320*	325-343	334	-	-	300-425	380
Other hardwood sawtimber	-	-	225-300**	-	-	-	115-400	**
Pine pulpwood	43-67	55	40-59	46	40-45	41.25	-	50*
Hardwood pulpwood	32-56	48	35-60	42	30-37	34.25	41-44	42.75

[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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