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
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July/August 1991

## MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

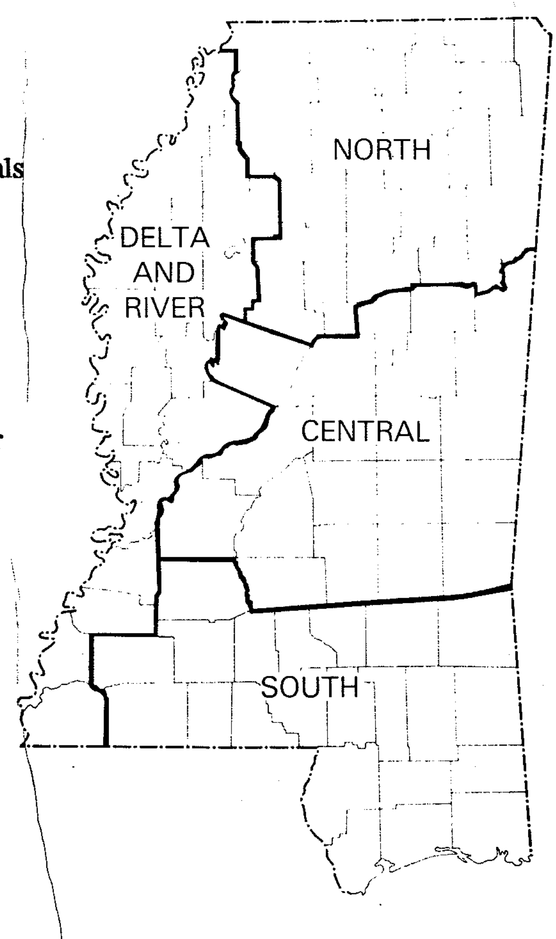
The MCES Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four 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 <u>NOT</u> 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. <u>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.</u>

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## 3. TIMBER MARKET COMMENTS

### Sawtimber

Although logging conditions were probably the best so far this year, rain continued to cause problems during July and August especially in the south region. Several mills had to cut some of their own inventory because rain temporarily stopped logs from being delivered. Log prices continued to be high throughout the July-August period. Both hardwood and pine lumber was reported as moving more easily than in June but movement was at "very low prices."

Standing pine sawtimber prices reached record levels with prices in the south approaching \$300/MBF and averaging almost \$250/MBF. Many reporters noted that competition for pine timber on easily accessible tracts (winter logging) was very strong. One reporter commented "there always seems to be that one bidder who'll keep the prices up." In southeast Mississippi, reported standing pine prices ranged from \$193 to \$286 and averaged \$257/MBF. In the Southwest prices ranged from \$173 to \$296 and averaged \$242/MBF. Southeast delivered pine prices averaged \$292/MBF and Southwest delivered prices averaged \$263/MBF. One mill operator reported that "the uncertainty and risk made it very difficult to read the market and bid." Lumber is having to be sold at the existing low markets to raise money to meet cash flow problems.

Beetle damage is becoming a real problem especially in the south. Several mills reported seeing more beetle damaged timber. One reporter said that "beetles are bad." Another reported that "damage in some of the National Forests seems as bad as in 1985."

Several hardwood mills reported that log prices remained high and lumber prices remained low. Some reported that lumber was moving better but at low prices, but a few reported that they were having a difficult time moving lumber even at the low prices. Most mills have good inventories of logs for this time of the year even though many have had to cut some of the inventory due to wet weather. The average prices reported for both standing and delivered hardwood showed little change with slight decreases in some areas.

### Pulpwood

Both pine and hardwood pulpwood prices remained firm in July/August. Pulpwood demand is reported to be good with hardwood pulpwood demand a bit stronger than pine.

### Other Comments

This issue of the MCES Timber Price Report includes graphics showing average standing and delivered pulpwood prices over the last two years.

Spread the word! If you have a friend who owns forestland, tell him or her about the *MCES Timber Price Report*. Many landowners are not aware of this timber price reference, so help educate your fellow landowners. Anyone can receive the report by contacting their county Extension agent or Extension forester.

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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 | 140-235 | 194 | 177-364 | 227 | 173-296 | 248 | - | - |
| Chip-n-saw pine | 37-56 | 43 | 39-51 | 41 | 30-50 | 42 | - | - |
| Poles (pine) | - | - | - | - | - | - | - | - |
| Mixed hardwood sawtimber[2] | 80-105 | 89 | 82-117 | 93 | 55-90 | 79 | 49-115 | 89 |
| Oak sawtimber | 100-162 | 130 | 120-204 | 161 | 110-150 | 137 | 150-210 | 172 |
| Soft hardwood sawtimber[3] | - | - | - | - | 90-120 | 100 | - | - |
| Rare hardwood sawtimber[4] | - | - | - | - | - | - | - | - |
| Pine pulpwood | 10-18 | 12.50 | 10-16 | 12.75 | 8.75-24 | 15.25 | 8-13 | 10.75 |
| Hardwood pulpwood | 4-10 | 6.25 | 5-8 | 7 | 4.50-12 | 8.25 | 6-10 | 7.00 |

DELIVERED PRICES[5]

| | North | | Central | | South | | Delta and River | |
|---|---|---|---|---|---|---|---|---|
| | Low-High | Average | Low-High | Average | Low-High | Average | Low-High | Average |
| Pine sawtimber | 230-261 | 247 | 260-278 | 269 | 225-300 | 283 | - | - |
| Chip-n-saw pine | 65-75 | 72 | 66-72 | 68 | 62-83 | 71.75 | - | - |
| Poles (pine) | - | - | - | - | - | 40/T* | - | - |
| Mixed hardwood sawtimber[2] | 160-220 | 189 | 155-200 | 172 | 150-190 | 173 | 150-175 | 156 |
| Oak sawtimber | - | - | - | - | 250-275 | 263 | 180-275 | 238 |
| Other hardwood sawtimber | - | - | - | - | 155-275 | - | 155-275 | - |
| Pine pulpwood | 36-43 | 41 | 36-45 | 43 | 38-42 | 39 | - | 46* |
| Hardwood pulpwood | 34-43 | 37 | 32-39 | 35 | 32-35 | 34 | 37-40 | 38 |

[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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