

# AGRI-MARKETING

## EXTENSION MARKETING DEPARTMENT

### MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

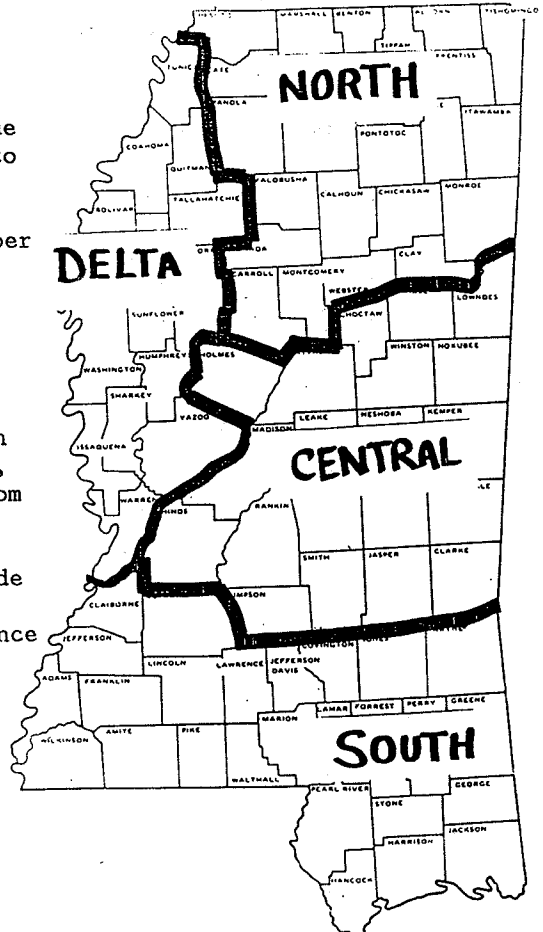
The MCES Timber Price Report is a monthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four market 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 only way to establish fair-market value for a particular tract of timber 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

Most of us realize that numbers don't tell the whole timber market story. Many unpredictable factors affect the dynamics of the timber market and this month was no exception.

Market activity has been slow. Several consultant foresters reported that they have made no sales in the last month. Many are recommending that their clients hold their timber, if possible, due to the current price situation. Also, several mills have reported that they haven't purchased any tracts of timber in the past month.

However, weather has had a major influence on logging and timber procurement. One forester in southwest Mississippi commented that Hurricane Juan dropped 12.5 inches of rain in 10 days on his area. In some areas, mill inventories have dropped to low levels. As a result, tracts that can be logged in wet weather may command higher prices in the near future due to increased local competition.

Southern pine beetle activity has also had an effect on the market, particularly in southwest Mississippi. There have been many salvage sales reported. These sales have brought more timber on the market and at lower prices than might be expected under normal conditions. Several mills reported "Bug log" delivered prices ranging from \$165 to \$170 per thousand in south Mississippi.

In north Mississippi, landowners should check their local hardwood pulpwood market. In some areas pulpwood yards were not buying hardwood pulpwood. On another matter, one sawmill reported a delivered price of \$230/M for Grade 1 pine logs 13 inches and larger (small end diameter).

In the Delta, we had a stumpage report of both persimmon and Royal Paulownia bringing 1000/MBF. Also one mill reported a delivered price of \$160/MBF for ash sawlogs.

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NOVEMBER 1986<sup>1</sup>

STANDING TIMBER

	North		Central		South		Delta	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	100-150	114	120-160	138	107-177	143	-	-
Chip-n-saw pine	-	-	-	-	12-24	18	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber <sup>2</sup>	40-75	56	51-80	64	30-70	52	55-95	71
Oak sawtimber	60-82	72	-	50*	95-100	97	-	-
Soft hardwood sawtimber <sup>3</sup>	-	-	-	40*	-	-	-	-
Rare hardwood sawtimber <sup>4</sup>	-	-	-	-	-	-	-	1,000**
Pine pulpwood	12-13	12.50	5-13	9.00	8-18	12.50	-	-
Hardwood pulpwood	-	-	2-4	2.50	4-9	6	3-7	5.50

DELIVERED PRICES<sup>5</sup>

	North		Central		South		Delta	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	170-220	192**	180-225	211	185-235	210	-	-
Chip-n-saw pine	47-54	51	-	-	48-57	52	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber <sup>2</sup>	130-142	138	120-148	131	120-140	135	-	150*
Oak sawtimber	-	-	-	140*	-	-	-	160*
Other hardwood sawtimber**	-	-	-	-	-	-	-	160*
Pine pulpwood	34-44	36.50	34-37	36.00	35-52	38.00	-	-
Hardwood pulpwood	25-32	28.00**	24-29	26.00	26.50-42	29.00	32-45	37

<sup>1</sup>Prices reported are for timber market transactions during the previous 30-day period, sawtimber prices in \$/MBF Doyle, chip-n-saw and pulpwood prices in \$/cord.

<sup>2</sup>"Mixed Hardwoods" are mostly: Ash, Beech, Cottonwood, Willow, Elm, Gums, Locust, Hackberry, Magnolia, Pecan, Hickory, Sycamore, Tupelo and Birch.

<sup>3</sup>"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.

<sup>4</sup>"Rare Hardwoods" are mostly: Walnut, Cherry, Royal Paulownia, Persimmon, some species and grades of Cypress, certain prime grades of Cherrybark and White Oaks.

<sup>5</sup>Delivered prices are values given at the sawmill or pulpwood yard gate.

\*Only one price reported.

\*\*See Timber Market comments.

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