



MCES Timber Price Report

Extension Agricultural Economics Department
Extension Forestry Department

September/October 1987

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

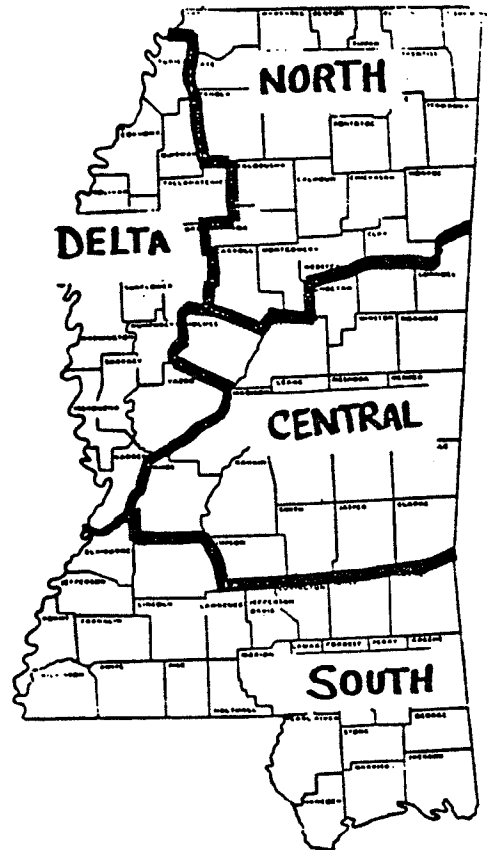
The MCES Timber Price Report is a monthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four market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

In south Mississippi timber prices held strong with a mixed report on lumber prices. Some mills reported prices for some products dropping by up to \$50/MBF during the last months, but many mills reported no change in demand or a leveling in prices. A few stumpage sales of very high quality pine were reported in the \$223-\$251/MBF range.

Reported pine timber prices in the southeast tend to average higher than those in the southwest. September/October delivered pine prices reported for southeast Mississippi averaged \$255/MBF. Average prices reported for pine in southwest Mississippi were \$206/MBF.

The hardwood market remains strong with oak and ash markets booming. In the Delta delivered prices for ash ranged from \$235-\$300/MBF, averaging \$254/MBF. Poplar averaged \$180/MBF, and pecan, hickory, and hackberry averaged \$139/MBF. Comments indicated higher prices were being paid for stands with a high percentage of oak than previously reported. One sale reported in southwest Mississippi brought a \$267/MBF stumpage price for red oak.

The extremely dry weather this fall has kept logging conditions excellent. Most mills report that winter inventories are in or very close to it. One mill manager commented he now has the most inventory he has ever had. A few mills said they were beginning to limit the number of logs they will take. By contrast, one mill manager said last year at this time all his loggers were on winter logging jobs, while this year not one is on a winter logging job yet. Some reporters speculated that good log availability now may affect prices this spring.

In the central district some reported delivered prices for specific species were: red oak and ash - \$190/MBF, white oak and poplar - \$150/MBF, cypress - \$225/MBF, and other species such as hickory and sweet gum - \$80/MBF.

Pulpwood

Pulpwood prices were steady with relatively little change from last report. Several pulpwood dealers report good demand now for pulpwood, especially hardwood pulpwood.

Other Comments

This issue is a two-month report covering September and October market activity.

In reaction to the recent stock market "correction," many mill managers weren't sure how their business would be effected. Most took a wait and see attitude and thought it would be three to six months before they could tell. One reporter said that the stock market uncertainty was already making treating plant buyers tentative about sales prospects next spring. Normally, wood treaters enter the southern pine lumber market late in the year to buy lumber for spring sales. Uncertainty about how consumer buying would be affected was the major reason for concern among treaters. Other mill managers thought the decline in interest rates would help the industry, while another wasn't too worried because he had confidence nothing too drastic would happen in an election year.

Southern pine beetle activity has increased in a few areas, but in general infestations are smaller than previous years, and scattered. Many mills are getting concerned about wildfire threats with dry conditions and hunting season getting started.

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STANDING TIMBER

	North		Central		South		Delta	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	115-173	139	155-265	179	136-251	174	-	-
Chip-n-saw pine	-	-	25-30	27	26-27	26.50	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	57-100	70	60-100	75	64-120	82	-	75
Oak sawtimber	87-146	106	85-146	115	-	-	132-200	161
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	8-12	9	7-10	9	10-15	12.75	-	8*
Hardwood pulpwood	-	5*	2-8	5	4-10	6.25	5-6	5.50

DELIVERED PRICES⁵

	North		Central		South		Delta	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	160-230	204	200-255	236	180-265	233**	-	-
Chip-n-saw pine	-	-	55-60	57*	55-68	62	-	-
Poles (pine)	-	-	-	-	300-315	308	-	-
Mixed hardwood sawtimber ²	150-175	161	140-160	150	143-200	169	120-185	153
Oak sawtimber	-	-	160-190	172	-	-	235-300	254
Other hardwood sawtimber	-	-	75-200	**	-	-	120-300	**
Pine pulpwood	31-38	35	30-37	33	34-37	35	28-41	34.50
Hardwood pulpwood	-	29	27-32	28.50	26-30	27	26.50-33.50	30.25

¹Prices reported are for timber market transactions during the previous 60-day period, sawtimber prices in \$/MBF Doyle, chip-n-saw and pulpwood prices in \$/cord.

²"Mixed Hardwoods" are mostly: Ash, 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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