



MCES Timber Price Report

**Agriculture Economics Department
Extension Forestry Department**

P. O. Box 5446
Mississippi State, MS 39762

October/November 1989

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

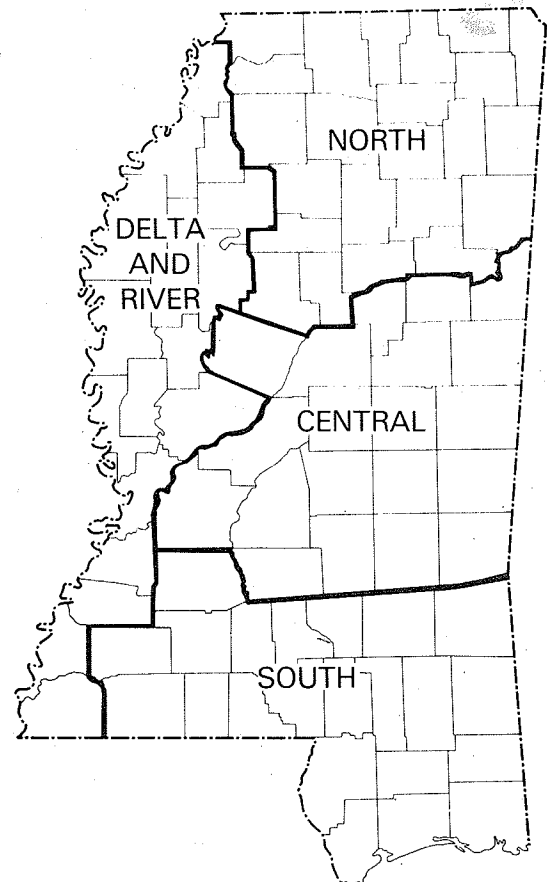
The MCES Timber Price Report is a monthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four market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

Weather, inventory conditions, and markets have combined to keep sawtimber prices high. Several pine mills throughout the state have had difficulty keeping enough log inventory and consequently pine stumpage prices have been very competitive, particularly in South and Central Mississippi. A boom in the plywood market in the wake of Hurricane Hugo also kept pine sawlog competition keen in Oct./Nov. Winter logging stumpage prices are reported in the \$240-265/M price range.

However, some foresters thought prices may be too high. One buyer cautioned that stumpage prices were too high for his mill to pay. His company plans to buy logs at a price that they can make a reasonable profit on or they won't buy logs. If it takes shutting the mill for a few weeks, that's what they plan to do.

Most buyers feel that the peak in prices will have to come down because the lumber prices won't support them. These erratic prices have created opportunities for some landowners to make good profits.

Most hardwood mills reported acceptable log inventories and said the lumber market was firming up. Red oak is still the prime species in the lumber markets. Several reporters expressed concern about the hardwood chipping boom along the Tenn-Tom Waterway and elsewhere. They are concerned about the future supply of hardwood sawlogs. One mill owner said that the "chip mills were his greatest worry since he's been in the business." Many hardwood lumber producers are worried that too many young sawlogs are being chipped indiscriminately.

Reported delivered pine sawtimber prices averaged 278/MBF in the southeast and 229/MBF in the southwest. Standing prices reported to us averaged 214/MBF in the southeast and 193/MBF in the southwest. Several standing timber sales are not included in the averages because poles were in the stands and went for over 250/MBF with two nearly 300/MBF.

Pulpwood

Pulpwood demand is good. Pulp mill inventories are reported to be fair but dealers mentioned that mills are concerned because of rains early in the year. Both pine and hardwood pulpwood are reported moving well. Hardwood pulpwood prices have moved up in the northern half of the state.

Other Comments

Please note that a mistake occurred on the front page of the last issue. The month on the front page read "October." It should have said "September." Please correct your file copy. This issue is a two month report for October/November.

Anyone can receive the MCES Timber Price Report by contacting their county agent or Extension Forestry Department.

MCES TIMBER PRICE REPORT

October/November 1989

STANDING TIMBER

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	100-193	157	160-265	212	143-240	205	-	-
Chip-n-saw pine	30-37	34	33-38	35	-	-	-	-
Poles (pine)	-	-	-	-	295-400	349	-	-
Mixed hardwood sawtimber ²	85-130	108	75-180	103	50-95	77	60-80	70
Oak sawtimber	130-160	143	95-250	152	80-110	94	160-200	185
Soft hardwood sawtimber ³	-	-	-	-	-	-	65-90	79
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	8-13	10.25	7.50-25	14.00	9-22.50	14.50	5-8	6.75
Hardwood pulpwood	5-11.50	7.75	5-15	9.50	7-18	10.25	8-10	9.00

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	230-260	248	250-297	266	180-290	258	-	-
Chip-n-saw pine	61-63	62	63-72	67	61-73	67.75	-	-
Poles (pine)	-	-	-	-	41-45/T	43/T**	-	-
Mixed hardwood sawtimber ²	170-200	182	170-230	206	150-180	165	120-170	150
Oak sawtimber	200-240	222	-	-	-	-	245-260	251
Other hardwood sawtimber	-	-	-	-	-	-	120-400**	-
Pine pulpwood	36-42	39	34-51	41	33-41	37.00	-	43.00*
Hardwood pulpwood	37-42	40	30-47	38.50	30-47	34.25	35-37	36.00

¹Prices 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, 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.

⁵Delivered prices are values given at the sawmill or pulpwood yard gate.

*Only one price reported.

**See Timber Market comments.

Bob Martin
 Bob Martin
 Extension Economist
 (601) 325-2515

Bob Daniels
 Bob Daniels
 Extension Forester
 (601) 325-3150