



MCES Timber Price Report

Agriculture Economics Department
Extension Forestry Department

P. O. Box 5446
Mississippi State, MS 39762

November/December 1991

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

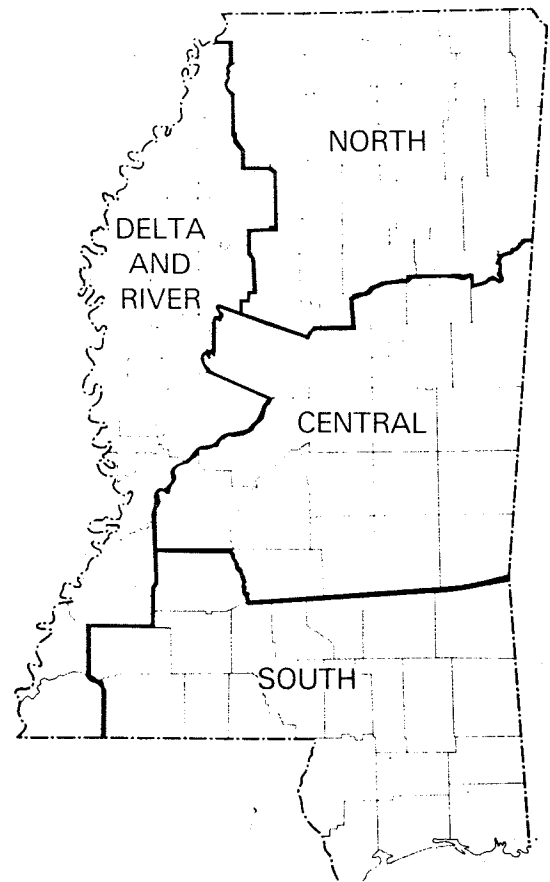
The MCES Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four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

Good weather conditions for this time of year allowed loggers to operate as usual in many areas with many mills in south Mississippi reporting very high log inventories. However, some mills in north and central Mississippi had good inventories but were still wanting logs. Six pine mills in south Mississippi reported their highest log inventories ever for this time of year. Hardwood mills generally reported good log inventories, statewide. Some had lower than usual log inventories but were keeping them low because of large lumber inventories due to slow sales.

Timber prices remained strong throughout the state. Pine buyers reported that competition for winter logging tracts is especially strong. One reporter commented that "pine timber prices were 20% higher than this time last year." Several buyers commented that they had bid on tracts but couldn't buy any at the price they offered. Another reporter commented that "everyone is putting top dollar on every tract, especially winter logging." Many foresters think that stumpage prices for pine were too high to make anything on lumber in the current market.

A few sales in South Mississippi in excess of \$300/MBF for pine sawtimber stumpage were reported but not included in the averages because the amount of poles included was unknown. One state forest timber sale in North Mississippi (not included in the averages) reportedly brought \$313/MBF, Doyle for pine sawtimber on a winter logging site. Some buyers think the higher prices will continue in 1992 due to more optimism about the recovery of the housing industry. It appears that competition is strengthening timber markets throughout the state. Delivered pine sawtimber prices reported for Southeast Mississippi averaged \$294/MBF compared to \$275/MBF in the Southwest. Stumpage prices reported for pine sawtimber in these areas were virtually the same.

Hardwood sawtimber stumpage prices were mixed with prices lower in South Mississippi and the Delta, but up slightly in Central and North Mississippi. Many reporters were cautiously optimistic about improving hardwood markets and prices in 1992. Standing ash sawtimber prices in the Delta and River area ranged from \$250-\$320/MBF but very little ash is available.

Pulpwood

Pulpwood prices remained stable in the South and Delta regions but were higher in Central and North Mississippi. Reporters commented that orders for pulpwood were good and demand for both pine and hardwood was strong. Logging conditions, however had begun to limit access, especially for hardwood.

Other Comments

Several reporters commented that many timber sales occurred in December, presumably so landowners could get the income during the 1991 tax year. Most last minute sales were pine.

Some South Mississippi contacts reported increasing southern pine beetles problems, especially in the southwest. They also were concerned that a mild winter might mean continued SPB problems next year.

This issue includes graphs showing average standing and delivered pine and hardwood sawtimber for the preceding two years.

Anyone can receive the MCES Timber Price Report by contacting their county Extension office or Extension Forestry at P.O. Box 5446, Mississippi State, MS 39762.

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DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER¹

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	142-240	203	200-270	236	172-288	240	-	200*
Chip-n-saw pine	-	-	32-55	44.50	35-48	44	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	65-150	98	82-105	94	60-90	77	60-115	80
Oak sawtimber	105-190	148	-	-	185-215	198	135-220	181
Soft hardwood sawtimber ³	-	-	-	-	-	100*	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	12-25	18	12-25	17	10-22.50	16	10-12	11
Hardwood pulpwood	5-14	7.50	5-20	11	6-10.50	8.25	5-7	6.25

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	225-300	256	265-300	284	240-300	285	-	-
Chip-n-saw pine	-	-	60-83	71	65-73	69.50	-	-
Poles (pine)	-	-	-	-	38-43	42/T	-	-
Mixed hardwood sawtimber ²	168-210	186	160-182	175	175-190	183	143-185	159
Oak sawtimber	-	230*	-	-	-	-	200-275	251
Other hardwood sawtimber	-	-	-	-	-	-	145-320**	-
Pine pulpwood	37-57	46	38-54	45	38-40	38.50	-	47*
Hardwood pulpwood	32-43	37	32-50	41	30-35	33.00	38-39	38.50

¹Prices 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.

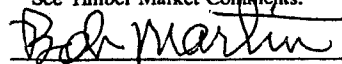
³"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.


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

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

*Only one price reported.

**See Timber Market Comments.


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