



MCES Timber Price Report

Agriculture Economics Department
Extension Forestry Department

P. O. Box 5446
Mississippi State, MS 39762

May/June 1992

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

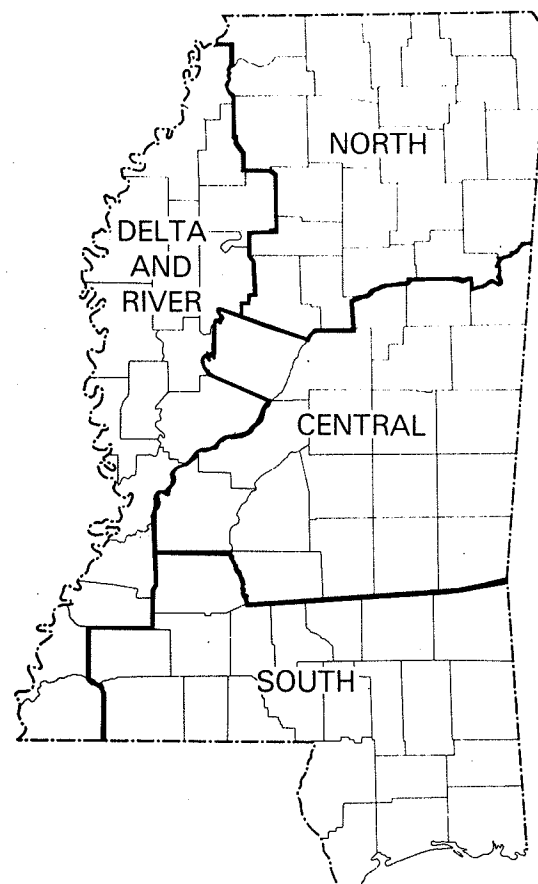
The MCES Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four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

Pine sawtimber stumpage prices remained strong in May and June. Ordinarily at this time of year, stumpage prices decline due to improved log availability. However, so far this summer competition for pine sawtimber stumpage has held firm. Prices have come down some, but average prices for pine sawtimber stumpage have remained fairly high, especially considering pine lumber prices fell significantly during May/June. One south Mississippi seller commented that "the lumber market has crashed in the last 30 days." Another said that "there are recent signs that the decline is slowing."

Most reporters indicated that stumpage prices have been unaffected by lower lumber prices. Several buyers in north and central Mississippi regions report that competition is strong for pine stumpage in spite of the fallen lumber market. They comment that "things are going the wrong way. Prices for stumpage are high while lumber prices are low. It can't stay that way and us make any money." Competition seems especially strong for pine tracts that can be logged in wet weather according to several reporters.

Wet weather in June reduced logging activity in the south region, and some mills were running low inventories. A couple of reporters in the south thought they might have to go into their wet-log inventory if rains didn't subside. But further north in the state logging has been steady, and mill inventories have been good. A few mill reporters said they were even beginning to bank logs. In general, most pine mills seem in good shape for inventory but are still facing active competition for stumpage. Most commented that there were a fair amount of timber on the market. Standing pine prices for southeast and southwest Mississippi were virtually the same at \$252-253/MBF. Delivered prices reported for the southeast averaged \$293/MBF, and the average for the southwest was \$277/MBF.

Reported prices for hardwood sawtimber were generally lower statewide, but prices rose slightly in central Mississippi. One reporter in central Mississippi commented that his log inventory was good, and he was even ahead of schedule building inventory. However, the generally lower quality of hardwood logs available these days made competition for high quality tracts strong. Some reporters in the Delta and River region said that bidding activity for hardwood timber had slowed but prices were about the same.

The hardwood lumber market has improved since the last period, with oak prices moving up. One reporter stated that "things were better but prices were not sportingly up." In the Delta and River areas, the market for gum had improved but hackberry, elm, and sycamore markets continued "dead." Some reported that very little ash was currently being seen at the mills. Some specific species stumpage prices reported from a Delta sale this period for hardwood sawtimber were: cottonwood \$60/MBF, ash \$180/MBF, hackberry \$70/MBF, sweet pecan \$80/MBF, red oak \$175/MBF, sweetgum \$75/MBF, elm \$70/MBF, overcup oak \$80/MBF and sycamore \$65/MBF.

Rains in some locations drastically curtailed logging, and very few logs were being delivered. Most mills, however, reported that log inventories were "good."

Pulpwood

Both pine and hardwood prices remained relatively stable, with average prices the same or down slightly from last period.

Many yards contacted were buying both pine and hardwood with demand strong from the mills. One central Mississippi buyer was buying "wide open and could use 30 cords in the morning." In the South some mills had imposed quotas but most had been lifted by the end of June.

Southern pine beetle activity has been reported as spotty around the state, with more activity apparently in central Mississippi than anywhere. One reporter commented that he'd observed more activity "around the Bienville National Forest in Scott County than anywhere else." But in general most reporters said there has been less SPB activity this year than expected, so far. One report of beetle-killed timber sold for pulpwood was \$14/cord in north Mississippi.

Other Comments

Average standing chip-n-saw prices in the south were down \$2-3/cord, but the range in prices had expanded to \$38-60/cord. Delivered prices remained about the same. Chip-n-saw stumpage prices also moved up a bit in the central area.

One of our reporters and a leader in the industry, Mr. John Mabry, died recently. We will miss him. We looked forward to his comments about MSU and the pine sawtimber market. Our condolences go out to his family and friends.

This issue contains graphs of standing and delivered pulpwood prices for each area for the past two years.

The MCES Timber Price Report is available to anyone by contacting their county Extension office or Extension Forestry at P. O. Box 5446, Mississippi State, MS 39762. Your comments are welcome.

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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	170-290	236	180-303	249	200-327	252	180-253	217
Chip-n-saw pine	-	-	42-50	47.25	38-60	46	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	59-118	86	75-120	94	65-100	79	41-125	77**
Oak sawtimber	111-160	136	125-175	158	164-185	172	160-200	187
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	14-20	17.75	10-30	17.50	8.50-20.75	13.75	10-20	15
Hardwood pulpwood	5-25	10.75	4-15	9.50	4.25-10.25	7.50	5-7	6

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	265-285	270	260-325	285	245-325	286	-	-
Chip-n-saw pine	-	-	59-83	73	67.50-78.00	72.75	-	-
Poles (pine)	-	-	-	-	-	44/T*	-	-
Mixed hardwood sawtimber ²	180-230	198	160-200	179	180-200	194	155-235	178
Oak sawtimber	-	-	-	275	-	-	245-300	282
Other hardwood sawtimber	-	-	-	-	-	-	175-350**	-
Pine pulpwood	34-46	42	31-53	43	38-41	39.25	-	46*
Hardwood pulpwood	31-48	36	30-43	35	30-35	33.75	38-50	44

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.

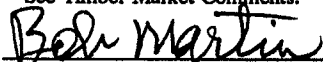
³"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.

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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