

MCES Timber Price Report

Agriculture Economics Department
Extension Forestry Department

P. O. Box 5446
Mississippi State, MS 39762

November/December 1992

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

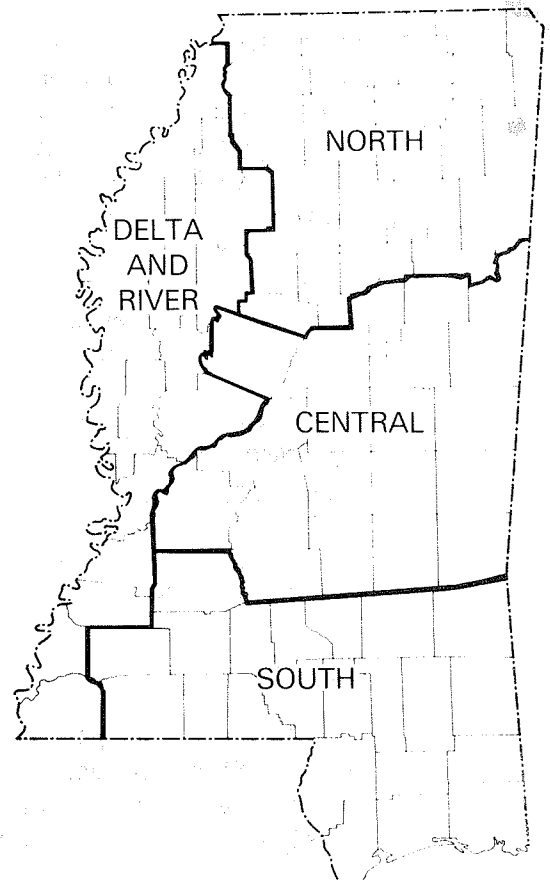
The MCES Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four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

The word in the timber market is wet. Persistent rains during November and December have created log inventory problems for most mills in the state. Many reporters expressed serious concerns about mill log inventories. One east Mississippi pine mill reporter said that he "runs 5 logging crews and none have been able to do a full week's work since the first of November because of wet conditions." Several mills reported operating on a week or less of log inventory and others reported having taken long Christmas holidays and losing some production time due to log shortages. However, most mills report having good standing inventories (timber already bought but not yet harvested), but they haven't been able to get it.

At the same time, lumber markets are reported good. One contact mentioned that usually pine lumber prices are at a yearly low in December, but that the Random Lengths (a lumber reporting service) Composite Lumber Price Index hit a new record high in late December. He said, "We're in uncharted waters and I don't know what will happen. It looks like it will be a positive spring in the pine lumber market". Hardwood lumber markets are also reported "pretty good" or "steady". Red oak lumber is reported in good demand.

The result of the log supply pinch due to rainy weather and the good lumber markets is fierce competition for winter logging, especially pine. Foresters report bidding on tracts this winter that they wouldn't have bid on under different circumstances. One reporter commented that he's "been working 20 years and hasn't seen log prices this high. Nobody has much (log) inventory". Many mills commented that they expect log inventory problems in January and February. One pine mill reporter commented that "anyone who has 2 weeks run (log supply) is in good shape these days." There were several prices reported for pine sawtimber this period over \$300/MBF,D, mostly for good tracts that can be harvested immediately. Other reports of very high red oak stumpage prices in the \$400 range were reported in the lower Delta/River region. Another reporter described the market for stumpage in the central region as "hot, hot, hot!" In general, because of the wet conditions, starting early and rain being consistent, both stumpage and delivered prices moved up in November-December.

Comments on the number of sales being offered varied. Some reporters commented that there had been a flurry of sales in December but others said December was a slow to average month for sales. No significant Southern pine beetle problems were reported.

In southwest Mississippi standing pine prices ranged from \$180-330/MBF,D and averaged \$266/MBF,D while in the southeast, prices ranged from \$258-350/MBF,D and averaged \$277/MBF,D. Delivered prices averaged \$318/MBF,D in the southwest compared to \$344/MBF,D in the southeast.

Some wood yards in central and north Mississippi are buying eastern redcedar in 8 foot lengths at \$70/cord delivered. The wood is used to make redcedar chipboard.

Pulpwood

The market for pulpwood is good. As with sawmills, pulpwood dealers and pulp mills are wanting all they can get. Inventories are tight. However, many pulpwood yards contacted had little wood on hand. Some high stumpage prices for pulpwood were also reported in November-December, mostly on readily accessible tracts.

Other Comments

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

The MCES Timber Price Report is available by contacting your 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	183-340	246**	191-365	282	180-330	268	165-274	222
Chip-n-saw pine	-	56*	50-60	54	40-50	45.75	-	-
Poles (pine)	-	-	-	-	-	35.0*	-	-
Mixed hardwood sawtimber ²	80-175	118	80-150	115	80-150	106	50-100	79
Oak sawtimber	-	200	150-270	208	150-260	187	150-250	185
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	10-30	25	12-38	20.75	12-24	15.00	10-20	14.00
Hardwood pulpwood	6-25	15	7-25	15.25	5-12	8	5-12.50	7.50

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	290-360	315	300-350	318	285-365	328	-	-
Chip-n-saw pine	-	-	70-86	79	74-86	80.25	-	-
Poles (pine)	-	-	-	-	-	44/T*	-	-
Mixed hardwood sawtimber ²	185-225	215	185-240	210	183-270	203	160-205	184
Oak sawtimber	-	265*	-	275*	-	-	245-350	296
Other hardwood sawtimber	-	-	-	-	-	-	163-325	-
Pine pulpwood	38-66	52	39-62	46	38-41.25	39.25	-	46*
Hardwood pulpwood	35-44	39	33-42	36	30-35	33.50	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.

Bob Martin

Bob Martin
Extension Economist
(601) 325-2515

Bob Daniels

Bob Daniels
Extension Forester
(601) 325-3150