



Mississippi Timber Price Report

Department of Agricultural Economics

Department of Forestry

Box 9681
Mississippi State, MS 39762

November/December 1993

MISSISSIPPI TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

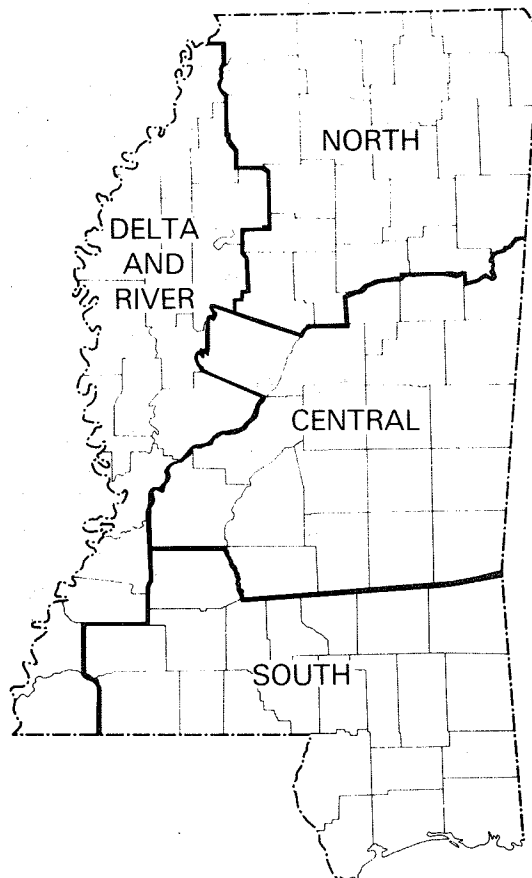
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Cooperative Extension Service to provide an accurate picture of timber market activity. 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 November and December, most mills had good log supplies. The relatively dry fall helped buyers get their log yards full in most areas of the state, though some places, mostly in south Mississippi, were limited by wet conditions. Most mills took a few days off at Christmas and many used the time to catch up on mill repair and maintenance.

Sawtimber prices were generally up statewide. Pine sawtimber prices were up sharply with winter logging tracts in strong demand. Landowners with good timber that can be harvested when most other tracts are too wet can command premium prices. Several reporters said there were enough timber tracts being offered. One in central Mississippi said he only took off 1 1/2 days over Christmas because there were so many tracts to cruise. The pine lumber market was strong during the period with prices in the range of the January 1992 historical highs. Mills reported selling lumber at a steady pace, but were cautious about buying extremely high-cost stumpage for fear of losing money if lumber prices fall. Nevertheless, two pine stumpage sales reported in the central region (but not included in the averages here) were \$500/MBF,D and \$584/MBF,D. These were for good timber on winter logging, but it gives an idea of the competition level. Both sales had 8 bids.

In the southeast, pine sawtimber stumpage prices reported averaged \$368/MBF,D while prices in the southwest averaged \$372/MBF,D. Average prices were up almost \$100/MBF compared to the last report.

Hardwood mills we contacted had adequate to good log supplies and were reporting good lumber sales, except that red oak lumber prices were down relative to two months ago. Stumpage prices for hardwood logs moved up during the period but this is normal for this time of year. Oak stumpage prices reported in the Delta and River region ranged from \$275/MBF,D to \$374/MBF,D. Some individual species hardwood stumpage prices reported this period in the central region were: sweetgum \$110/MBF, \$100/MBF; yellow poplar \$140/MBF, \$120/MBF; hickory \$60/MBF, \$60/MBF; cottonwood \$100/MBF; elm \$80/MBF; hackberry \$90/MBF; ash \$300/MBF.

Pulpwood

Pulpwood prices were steady to a bit higher during November and December with most pulp mills wanting wood, especially hardwood. Chip production along the Tenn-Tom Waterway was reported as "brisk" during November and December. By January 1, however, the urgency in the hardwood pulpwood market had eased and prices had dropped a bit. The demand for pine pulpwood remained good. Most yards contacted had little inventory since they were shipping regularly to the mills as they got it in.

Other Comments

Beginning with this issue, the name of the "MCES Timber Price Report" has been changed to the "Mississippi Timber Price Report." Other than the name changing, the report will remain identical in form and function.

The pole market continued to move up with standing pole prices in south Mississippi averaging \$500/MBF. One sale during November/December brought over \$700/MBF. Landowners should be aware of the opportunities in separating the poles from other sawtimber. Ask your neighbors or through your county forestry association about the pole market in your local area.

Some timber buyers expressed concern over the future supplies of available sawtimber. A couple of south Mississippi pine buyers indicated that over the last few years sales tracts have gotten smaller and smaller and that the volume per tree has gotten smaller. One hardwood mill operator said, "If you don't think that available timber supplies are shrinking then you haven't been out of the office lately." In some areas, however, buyers don't believe there is a problem. Concerns may depend on market areas. One pine buyer in central Mississippi said he "expects the supply of pine sawtimber will be there. The question is whether I'll be able to afford to buy it or if the law will allow owners to cut it."

No significant problems with Southern pine beetle were reported. Some reporters hoped the cold temperatures would "slow the beetles down for another season."

This issue contains graphs of standing and delivered pine and mixed hardwood sawtimber prices for the past two years.

Anyone can get copies of the Mississippi Timber Price Report from the local Extension Office. The report is now available through the Cooperative Extension Service County Computer Network to all county Extension Offices. For the latest timber prices, call your county Extension Office or to get on the mailing list, contact Agricultural Economics at Box 9755 or Extension Forestry at Box 9681, Mississippi State, MS 39762.

As always your comments, pro or con, are welcome.

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DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER¹

	<u>North</u>		<u>Central</u>		<u>South</u>		<u>Delta and River</u>	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	242-499	324	200-460	341	190-480	372	220-440	305
Chip-n-saw pine	-	75*	48-60	54	40-64	54	-	-
Poles (pine)	-	-	-	-	350-707	513	-	-
Mixed hardwood sawtimber ²	86-200	157	100-225	148	70-200	128	88-170	122
Oak sawtimber	150-274	225	215-325	264	-	-	225-375	317
Soft hardwood sawtimber ³	-	-	-	**	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	25-40	32.25	10-40	25	10-35	15.75	10-25	18
Hardwood pulpwood	10-30	20.25	6-33	18.25	8-30	11.50	8-14	10.75

DELIVERED PRICES⁵

	<u>North</u>		<u>Central</u>		<u>South</u>		<u>Delta and River</u>	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	315-380	359	345-425	395	375-450	404	-	-
Chip-n-saw pine	-	117*	-	-	78-104	97	-	-
Poles (pine)	-	-	-	-	52/T*	-	-	-
Mixed hardwood sawtimber ²	210-250	225	220-260	242	180-220	204	100-200	183
Oak sawtimber	300-375	355	330-372	350	275-375	306	360-400	377
Other hardwood sawtimber	-	-	-	-	-	-	100-400	**
Pine pulpwood	49.50-70	59.75	43-60	50.25	43-47	45.75	-	50*
Hardwood pulpwood	40-56	48	40-44	42	35-45	38.75	41.75-43	42

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.

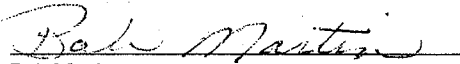
³"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.


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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