



Mississippi Timber Price Report

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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

The sawtimber market in March/April was unusual. Ordinarily, this time of year prices are up and log supplies are tight due to wet winter weather that can make logging more difficult. However, this year, relatively dry weather and the Southern pine beetle (SPB) have combined to depress stumpage prices. Most mills contacted had good log inventories and had lowered their prices on gate logs. Pine sawtimber stumpage prices were lower statewide and many reporters commented that sale activity was slow. Landowners and foresters appear to be taking a "wait and see attitude."

With many mills having good log inventories and with the threat of SPB epidemic again this year many timber buyers appear cautious and apparently are bidding on sales they really want or that can be bought at their price. Pine sawtimber stumpage prices were down again statewide as they were in January/February. Pine prices were off about \$20 per thousand in March/April.

The SPB situation appears to be an important factor in the stumpage market now. Many buyers are holding off purchasing standing timber for fear of SPB attack after their purchase. And if you are a buyer, why buy standing timber when plenty of logs will be available if SPB gets active again this summer? This situation has many buyers hesitating and is a force lowering prices. The Southern pine beetle was expected to be epidemic again this summer, but so far foresters reporting for the price report commented that few spots have been sighted as yet. It's possible that if SPB fears prove unfounded during July and August, stumpage prices may rebound. Pine lumber orders have been moving up during March/April according to the Southern Forest Products Association's newsletter. We'll have to wait and see.

One reporter in north Mississippi commented that SPB problems have had strong impact on his clients sales. "Prices for pine sawtimber were down throughout north central Mississippi."

The hardwood market was also moving slowly. Some reporters commented that oak and ash prices were down and that the lumber market was "fairly good but a bit shaky." "Markets have not changed much since January/February" was a common comment.

Most mills had adequate log inventories and many had dropped gate log prices. Standing oak prices, however were mixed with prices in some regions were a bit higher and lower in others.

One reporter commented that "there are no years in sight that will match 1992, 1993, or 1994." He apparently see prices staying below those levels in the near future. He may be right, but consider what has happened in that time period. During the period 1991-1995, the average price of pine sawtimber stumpage increased 118% (from January 1991 to January 1995). This was a result of major changes in harvesting on the National Forests in the northwest. The unexpected changes in the northwestern forestry situation caused great uncertainty in the US softwood lumber market, pushing prices very high. Southern pine stumpage prices rose accordingly and we saw record high prices here in Mississippi. Now we are in the midst of a "correction" where prices for pine stumpage have come down some but only about 18% from January 1995 to today. This is likely lower than it would be without our current SPB problems. The bottom line is that today's pine sawtimber prices are lower but still much higher than January 1991 average of \$176/MBF.

As a result of the northwest changes a significant demand shift has been moved to the South and southern pine prices are higher accordingly. This will likely remain the case. Landowners with timber should not be discouraged from managing and harvesting timber because the fundamental demand will remain in the South for the long-range future.

Pulpwood

The pulpwood market in March/April was weak. Both pine and hardwood pulpwood demand is gloomy. Most reporters commented that the paper market is off and that pulp mills had reduced purchases of pulpwood. Quotas have been imposed and not much pulpwood was moving. Some reporters were expecting the market to be off at least until fall.

Other Comments

A few reporters commented about concerns for loggers and pulpwood haulers. Apparently, some loggers had bought high-priced stumpage up to two years ago and were now caught in a down market with a lot invested in stumpage. Other loggers were under pressure to find enough business to meet financial obligations during a down market. Some reporters worried that if the situation persists some loggers may be forced out of business.

The legislature recently passed a new Timber Weights and Measures Bill that changes the law concerning timber transactions in Mississippi. The Doyle Log Rule has been the official log rule in Mississippi but the new law now allows other log rules, Scribner, International ¼ inch, as well as Doyle to be used when buying and selling timber. The law also allows buying and selling by weight in tons. The law requires however, that if prices for stumpage are quoted in volume (according to a log rule) then the seller must be paid by volume, if prices quoted in tons the payment must be by the ton. Conversions from tons to MBF for sawlogs will be eliminated. A requirement of the law is that mill log specifications be posted prominently at the log yard for loggers and landowners to see. The new law takes effect July 1, 1996 and should be a positive change for Mississippi Forestry, though many mills will likely continue to buy as they have been.

As of June 30, 1996, Dr. Bob Martin will retire from the Cooperative Extension Service. We wish him well in his new endeavors and thank him for his great service to Mississippi Forestry as a co-author of this report since 1987 and a good friend. Best of luck, Bob!

This issue of the Mississippi Timber Price report contains graphs showing sawtimber prices for the last two years for each region in Mississippi.

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 P.O. Box 9755 or Extension Forestry at P.O. Box 9681, Mississippi State, MS 39762.

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

march/april 1990
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	200-443	300	309-470	360	224-478	342	250-400	291
Chip-n-saw pine	-	60*	55-70	63.50	60-70	65	-	-
Poles (pine)	-	-	-	-	475-538	521	-	-
Mixed hardwood sawtimber ²	80-175	141	100-200	147	100-180	134	70-150	114
Oak sawtimber	200-275	236	225-325	273	150-400	273	250-350	316
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	25-40	31.25	18-30	23.25	7-30	19.00	15-35	27.50
Hardwood pulpwood	10-20	15.50	10-25	17.25	6-27	14.75	6-20	12.00

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	350-405	389	360-420	405	350-460	408	375-440	405
Chip-n-saw pine	-	-	-	-	96-104	101	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	175-240	216	210-288	240	225-300	263	140-300	202
Oak sawtimber	-	-	310-375	330	275-375	316	350-450	417
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	32-55	47.00	29-51	44.00	43-45	44.25	-	55.00
Hardwood pulpwood	28-42	36.00	26-45	38.00	33-36	34.75	-	50.00*

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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