



## Mississippi Timber Price Report

Department of Agricultural Economics • Department of Forestry

Box 9681  
Mississippi State, MS 39762

July/August, 1998

### MISSISSIPPI TIMBER PRICE REPORT

#### 1. WHAT IS THIS REPORT?

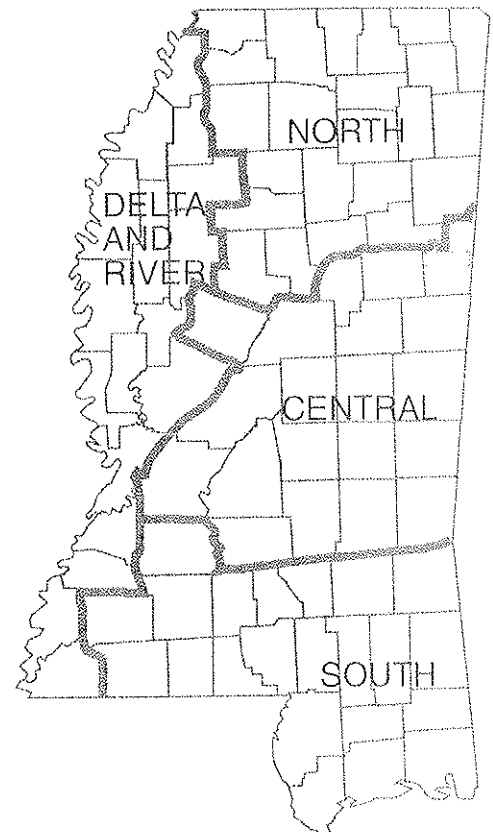
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Mississippi State University Extension Service to provide an accurate picture of timber 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 situation in July/August was a continuation of a trend that began in March. Dry conditions statewide have generally favored timber harvesting. Especially this summer, logs have been plentiful and loggers could operate almost anywhere necessary. This has been good for hardwood mills and not so good for pine producers.

While housing starts have been good this summer, an Asian economic recession has kept lumber, normally sent to Asian export at home, creating an overproduction situation. Hence, pine lumber prices have trended down since last winter and stumpage prices have followed. Standing pine timber prices moved lower in July/August statewide and many reporters commented that landowners had been holding timber off the market. Many foresters mentioned they are keeping busy dealing with storm-damaged tracts or thinning plantations but not putting major timber sales up for sale because the market is too low. In comparison to last summer, average standing prices are \$20/MBF higher for pine but they are well below this past winter.

Many pine mills have good log inventories and have limited log deliveries because logs are so plentiful. A few mill reporters commented that they were looking for winter logging tracts to improve their standing inventory for this winter but they are cautious of paying too much with a "soft pine lumber market."

On the hardwood side lumber markets are better. Strong housing starts and good consumer confidence have benefitted hardwood markets. Red oak lumber is in good demand and prices are stable. Reporters commented that some of the other species, however, were a bit slow such as ash. Mills report logs plentiful and a few reported being a head of schedule for winter storage. Some individual species prices reported for Delta and River regions were:

Ash	330/MBF
Red Oak	350/MBF
Overcup Oak	\$150/MBF
Sweetgum	\$110/MBF

Average standing hardwood sawtimber prices moved up in Central and South Mississippi while oak prices moved higher statewide in July/August.

#### Pulpwood

Pulpwood demand has been lower this summer and prices have been dropping. The conditions seen during May/June continued through July/August and many reporters are not optimistic of better pulpwood markets soon. They mention the Asian recession and a worldwide surplus of pulp and paper production capacity as a problem. One reporter said "the long-term situation is good, we just need to get through this short-term mess." Statewide pulpwood prices moved lower in July/August. Quotas were common.

#### Other Comments

Several reporters mentioned increased Southern Pine beetle activity in Central and South Mississippi during July/August. No large spots were reported but foresters contacted seemed aware of a greater incidence of beetle-killed trees during their travels. Landowners are advised to monitor their timber for signs of Southern Pine beetles. One reporter commented that "it would be a bad time to have a beetle outbreak with the pine market as sluggish as it is."

Pine plantation survival continued to be a concern of foresters contacted due to the dry weather continuing. Several also speculated that drought losses of plantations from last year would increase seedling demand for this coming planting season.

The Mississippi Timber Price Report is now available on the World Wide Web. It can be accessed through the Mississippi State University Extension Service Homepage at <<http://www.ext.msstate.edu>>. Select "Agriculture and Natural Resources" then select "Forestry" and then "Timber Prices." Current price reports are available and other price data is being added.

Anyone can get copies of the Mississippi Timber Price Report from the local Extension office. For the latest timber prices, call your County Extension Office or to get on the mailing list, contact Extension Forestry, at P.O. Box 9681, Mississippi State, MS 39762

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

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DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER<sup>1</sup>

	<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	323-420	400	390-500	440	388-445	429	400-475	430
Chip-n-saw pine	80-90	88	-	87*	80-90	85	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber <sup>2</sup>	175-215	200	170-241	221	160-220	215	120-186	146
Oak sawtimber	250-330	298	250-360	340	250-348	280	216-400	365
Soft hardwood sawtimber <sup>3</sup>	-	-	-	-	-	-	-	-
Rare hardwood sawtimber <sup>4</sup>	-	-	-	-	-	-	-	-
Pine pulpwood	25-41	30	16-36	33	24-45	30	18-29	20
Hardwood pulpwood	11-20	17	10-23	18	11-25	19	11-26	17

DELIVERED PRICES<sup>5</sup>

	<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	445-500	490	470-515	500	470-520	505	-	-
Chip-n-saw pine	-	-	92-110	100	90-110	105	-	-
Poles (pine)	-	-	-	-		70/T	-	-
Mixed hardwood sawtimber <sup>2</sup>	230-265	250	230-290	272	240-280	260	210-275	230
Oak sawtimber	340-390	380	380-435	415	320-370	345	380-475	425
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	30-50	42	34-57	44	35-51	42	20-45	38
Hardwood pulpwood	29-47	34	29-49	33	26-45	34	22-41	35

<sup>1</sup>Prices 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.

<sup>2</sup>"Mixed Hardwoods" are mostly: Low-grade Oak, Beech, Cottonwood, Willow, Elm, Gums, Locust, Hackberry, Magnolia, Pecan, Hickory, Sycamore, Tupelo and Birch.


<sup>3</sup>"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.

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

<sup>5</sup>Delivered prices are values given at the sawmill or pulpwood yard gate.

\*Only one price reported.

\*\*See Timber Market Comments.

  
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