



Mississippi Timber Price Report

Department of Agricultural Economics • Department of Forestry

Box 9681
Mississippi State, MS 39762

March/April, 1998

MISSISSIPPI TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

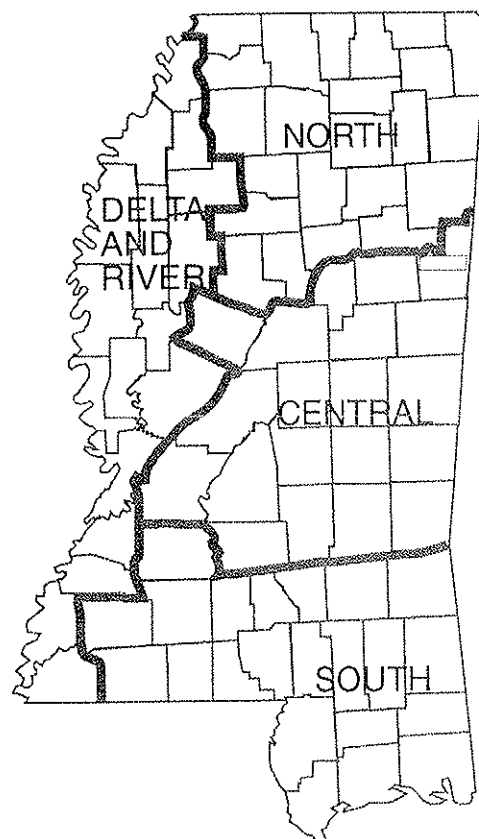
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Cooperative Extension Service to provide an accurate picture of timber market activity. 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 most significant development in the timber market in March/April was the weather just as it had been in January/February. Seemingly just as the weather had turned wet during the winter, by the early part of March the rains ended. March and April were dry months and this change in the weather gave loggers the chance to increase harvesting activities. Mills concentrated on building log inventories and as one reporter commented, "loggers have gotten so efficient now, they can really restock mills quickly." That is exactly what happened. As mills became restocked, standing pine timber prices began to soften and by the end of April some mills had put loggers on quota. "The urgency of winter has definitely come off the market" another reporter commented.

The sawtimber market has settled to a more normal pace. Pine sawtimber prices fell \$20 to \$60 per thousand depending on the area and buyers were expecting prices to go lower.

One consultant commented that he was beginning to get his summer logging and more complicated logging jobs ready to sell now that the winter logging rush is ended.

A somewhat sluggish pine lumber market through April kept timber buyers cautious. Though housing starts in early 1998 are up there is strong competition in the lumber market from western softwood lumber, in part due to the Japanese economic recession.

On the hardwood side, log demand was good during the period. Oak sawtimber prices dropped a bit but mixed hardwood sawtimber prices moved higher. Hardwood lumber demand was reported good but prices were described as "steady." One mill reporter commented that "the Japanese and Asian markets were off and that loss of export sales was taking some strength out of the hardwood market. With housing starts up, demand from cabinet markets and furniture is good. Most mills contacted were cautiously optimistic about the first half of 1998 in the hardwood lumber industry.

Pulpwood

Pulpwood prices eased during March/April especially hardwood pulpwood. Average standing pulpwood prices dropped \$2 to \$7 per cord statewide except for hardwood pulpwood in north Mississippi. Buyers are looking toward summer when pulpwood becomes plentiful.

Other Comments

No report of Southern Pine beetle activity was reported.

From south Mississippi reports the pole industry appears active with high prices reported for pole-quality pine timber.

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 will be added soon.

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 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 | 300-553 | 420 | 300-618 | 451 | 387-640 | 463 | - | 395 |
| Chip-n-saw pine | 80-105 | 92 | 80-97 | 90 | 85-110 | 98 | - | - |
| Poles (pine) | - | - | - | - | 601-883 | 710 | - | - |
| Mixed hardwood sawtimber ² | 148-300 | 212 | 120-250 | 195 | 100-250 | 185 | 140-180 | 158 |
| Oak sawtimber | 256-400 | 312 | 280-509 | 341 | 200-250 | 241 | 210-484 | 360 |
| Soft hardwood sawtimber ³ | - | - | - | - | - | - | - | - |
| Rare hardwood sawtimber ⁴ | - | - | - | - | - | - | - | - |
| Pine pulpwood | 36-45 | 37 | 25-40 | 36 | 25-50 | 37 | 20-31 | 22 |
| Hardwood pulpwood | 15-35 | 28 | 12-32 | 22 | 18-47 | 23 | 12-35 | 20 |

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 | 445-520 | 501 | 490-540 | 520 | 485-540 | 527 | - | - |
| Chip-n-saw pine | - | 127* | 85-120 | 105 | 90-130 | 112 | - | - |
| Poles (pine) | - | - | - | - | - | - | - | - |
| Mixed hardwood sawtimber ² | 190-315 | 280 | 220-290 | 261 | 220-280 | 240 | 190-270 | 240 |
| Oak sawtimber | 260-410 | 385 | 370-450 | 420 | 300-390 | 362 | 377-500 | 448 |
| Other hardwood sawtimber | - | - | - | - | - | - | - | - |
| Pine pulpwood | 31-60 | 53 | 38-57 | 52 | 40-60 | 55 | 27-52 | 45.50 |
| Hardwood pulpwood | 29-48 | 43 | 28-48 | 36 | 29-42 | 36 | 20-41 | 37 |

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.

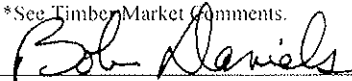
³"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.

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 Daniels
 Extension Forester
 (601) 325-3150