



Mississippi Timber Price Report

Department of Agricultural Economics • Department of Forestry

Box 9681
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May/June, 1998

MISSISSIPPI TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

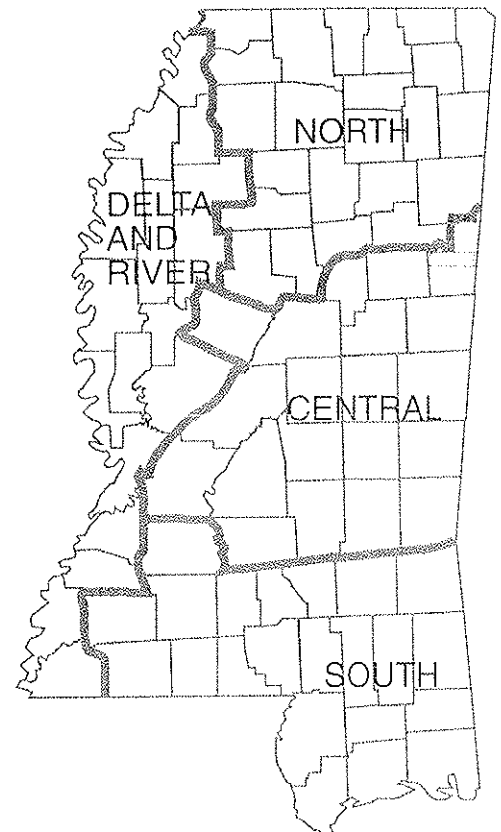
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Cooperative Extension Service to provide an accurate picture of timber market activity. 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 timber market picture in May/June was generally flat, but mixed. The pine sawtimber market had dropped again since spring, but the hardwood sawtimber market was steady. Hot and dry weather has made logging easier and logs are plentiful. Most pine mills have loggers on quota, but a few reported mill inventories lower than desired. Delivered log prices generally dropped in the face of too much lumber chasing too little market. Generally, there were fewer sales in May/June statewide.

The culprit for soft pine sawtimber markets is the Japanese economic recession, indirectly. U.S. housing starts are up compared to last year about 6% overall, and up 8% in the South where much of the southern pine lumber is used. Housing starts are a good indicator of softwood lumber demand, because softwood lumber is used for construction framing. The problem, however, is that traditionally much western lumber (both U.S. and Canadian) has been exported to Japan. Since the Japanese market has slowed, western softwood lumber that would normally be sold in Asia is seeking a market in the U.S. and elsewhere. Hence, in the face of good housing markets, pine lumber prices have fallen. This has made pine sawtimber prices drop in Mississippi and the demand for stumpage is limp.

Many reporters commented that the market was "poor" and several consultants noted that they were keeping their clients' timber off the market until a better situation develops, probably this fall. About six consultants mentioned that they had bid sales in June that were rejected by the landowners because the bids were too low. "It wasn't that buyers weren't interested," one reporter commented, "but they want to buy stumpage at lower prices." Another reporter commented that "stumpage prices always go down slower than they go up."

On the hardwood side reporters noted that demand for hardwood timber was steady. Hardwood lumber markets are reported "holding their own," with demand for red oak best. Housing starts are helping those hardwood lumber producers selling to cabinet makers and furniture mills. Several mills reporters however, commented about the slowdown in exports to Asia and to Europe being a "damper on the hardwood lumber markets."

Several reporters commented that the red oak log market was "holding well" but that "other species were not so good." "Sweetgum and hickory are off badly," one consultant commented. With weather so dry, many reporters noted there was too much timber on the market now. Quotas are common at sawmills and many mills are using lots of gatewood. "May and June were good months for landowners to sit back and take a look at the fall market" was one reporter's comment.

When asked, "What's ahead?" reporters' responses were mixed. A few consultants thought they had seen the bottom of the market and were putting a few "summer logging" sales out in July to test the market. Others were resigned to stay out of the market until fall. While most were confident fall would improve the stumpage markets, the effects of the Japanese economic recession remained on their minds. In the meantime, many foresters were working on the other management chores, like thinning pine plantations, painting boundary lines and handling storm damaged tracts. Mill buyers were working on harvesting tracts already purchased and bidding on the sales available in this buyers' market.

Pulpwood

Most reporters noted that the pulpwood market was down significantly, especially hardwood pulpwood. One reporter commented that "the pulp mills are full and the Japanese have been putting orders off." Some pulp mills were also down for maintenance and were not taking shipments for a couple weeks in June. Quotas are common and markets are tight. The pine pulpwood market was better than hardwood, but most reporters categorized the pulpwood market as "in the dumps." "Some rain would help our market a lot," one reporter commented.

Other Comments

Not much Southern Pine beetle activity has been reported for May and June. Several reporters commented about seeing a little scattered evidence of beetle activity, but generally, to everyone's pleasant surprise, beetle damage has been very light. The worst area reported was central Mississippi around Neshoba County with about 40 spots reported there.

We're in the process of clearing out some publications in our warehouse. We have over 200 copies of "Mississippi Timber Removals During the 1980's" Information Bulletin 206, Mississippi Agricultural and Forestry Experiment Station, 1991. Multiple copies are available to anyone who will call Extension Forestry at 601-325-3150.

Some foresters voiced concerns about survival in pine plantations established this spring due to the 5- to 6-week drought through much of May and June in Mississippi. Few estimates in Mississippi are available, but in Louisiana some have estimated 40 to 70% mortality in newly established plantations. Landowners are advised to check their plantations for survival and if you plan to plant this winter, it's a good idea to order your seedlings now. It's possible seedling demand could go up significantly if many plantations will need to be replanted.

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

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	350-470	412	350-505	439	289-608	458	390-500	461
Chip-n-saw pine	80-92	85	90-110	92	90-105	96	-	-
Poles (pine)	-	-	-	-	-	615*	-	-
Mixed hardwood sawtimber ²	160-220	201	135-240	208	148-203	203	150-205	176
Oak sawtimber	225-382	294.50	250-395	328	210-285	243	220-415	352
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	28-45	36	18-38	32	25-50	36	25-32	23
Hardwood pulpwood	15-36	23	10-30	20	15-31	19	12-30	19

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	450-510	495	480-525	505	475-525	510	-	-
Chip-n-saw pine	-	-	88-115	100	90-125	110	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	210-295	275	230-295	270	235-285	252	180-290	245
Oak sawtimber	340-400	370	360-430	395	320-378	335	370-425	400
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	30-55	45	37-61	50	40-61	52	25-47	42.25
Hardwood pulpwood	30-51	39	30-53	34	25-41	34	20-42	35

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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