



# Mississippi Timber Price Report

## Department of Agricultural Economics

## Department of Forestry

Box 9681  
Mississippi State, MS 39762

January/February, 1995

### MISSISSIPPI TIMBER PRICE REPORT

#### 1. WHAT IS THIS REPORT?

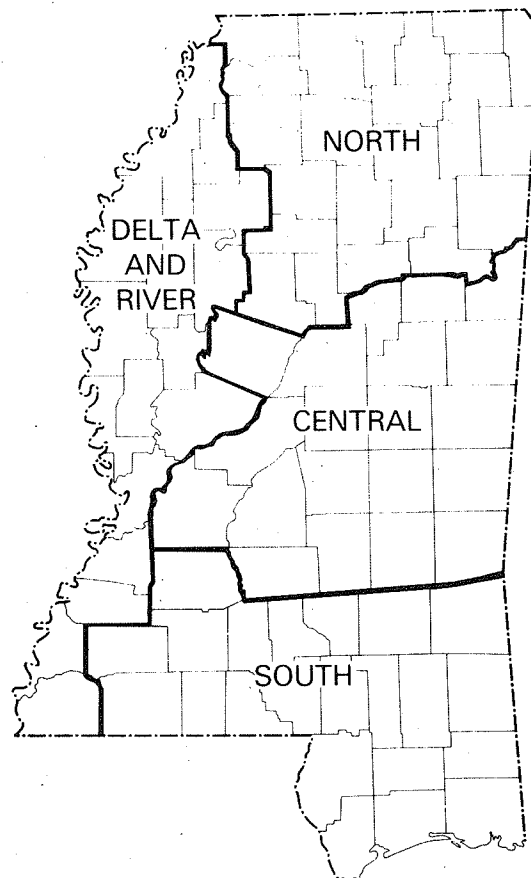
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Cooperative Extension Service to provide an accurate picture of timber market activity. 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

Average sawtimber prices strengthened during January and February, but volume of sales appeared to be lower. Most mills contacted had good log inventories, but pine sawtimber stumpage prices were near record levels. Some easing of prices seemed evident in late February, but throughout the period reports of \$500/MBF pine sawtimber were reported in all regions of the state. Such high prices were being paid for "winter logging" tracts with timber of good quality, volume, and access. One reporter commented that prices are high every year at this time, so his firm tries not to buy if possible, but weather plays a big part in the story"...."And on bid sales there always seems to be that one buyer who'll pay a big price."

Weather patterns across the state varied with North and South Mississippi getting heavy rain during January/February, while much of Central Mississippi stayed relatively dry. Logging activity in the Central area of the state was high. Several pine mill reporters commented that they had the largest log inventory ever for this time of year, with some mills temporarily "blocked out" because of too many logs on hand. High log inventories helped reduce the demand for "gate logs" and kept gate prices steady. However, pine stumpage prices were higher as mills anticipate increasing lumber sales early in the year from wood treaters and spring house construction. Normally, wood treatment plants make large purchases of lumber early in the year to anticipate spring treated lumber sales. This creates an unusual situation with reported delivered log prices close or higher than that of stumpage. Readers should realize, however that the stumpage and delivered markets are two different markets. Purchases of standing timber are mostly for harvest up to two years in the future (though some tracts get cut immediately) while delivered log prices are mostly prices paid at the mill gate for logs purchased as stumpage in the past. One reporter indicated that pine lumber prices had fallen about 20% in the last year, while log prices had increased 25%. The impact of the Pacific Northwest timber harvest decline has increased pressures on southern pine prices and we may be see some signs of equilibrium beginning in the market.

Hardwood sawmills reported good log inventories. Oak prices were good and other species were selling well too. Several reporters commented that hardwood sawtimber prices were increasing, but that's expected in the winter months. They anticipate prices to ease after May or so. However, one reporter also mentioned the "increasing difficulty of finding high quality hardwood timber" in his area of Central Mississippi.

Ash stumpage prices were reported in the \$300-\$400 range, but ash volume is low.

#### Pulpwood

Pulpwood prices continued to hold steady, but moved up in the Delta/River region. Pine pulpwood was especially in demand with no quotas reported. Paper industry markets have steadily improved as economies around the world strengthen.

#### Other Comments

Pole prices continued to hold at near record levels. In South Mississippi, standing pole prices ranged from \$550 to \$750/MBF with an average of \$575/MBF. The pole demand continues strong.

No reports of southern pine beetles were noted in January/February.

This issue contains graphs of pulpwood market prices by region for the past two years.

A Management Technical Note (MTN) showing a summary of Mississippi Timber Price Report prices from 1986 through 1993 with graphics is available from Extension Forestry. To receive a copy, contact the Extension Forestry Office at (601) 325-3150.

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.

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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	290-515	365	310-556	381	205-589	447	275-540	392
Chip-n-saw pine	60-100	82	58-70	61	65-75	64	60-80	67
Poles (pine)	-	-	-	-	550-750	575	-	-
Mixed hardwood sawtimber <sup>2</sup>	100-200	154	80-250	141	80-200	141	80-200	142
Oak sawtimber	200-260	232	175-400	235	200-400	271	200-400	293
Soft hardwood sawtimber <sup>3</sup>	-	-	-	-	-	-	-	-
Rare hardwood sawtimber <sup>4</sup>	-	-	-	-	-	-	-	-
Pine pulpwood	20-40	30.25	19-31	20.50	12-35	19.25	15-40	25.25
Hardwood pulpwood	12-30	15	10-35	15	7-18	11.75	7-30	14.50

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	350-410	398	340-470	415	400-460	444	-	-
Chip-n-saw pine	-	-	90-110	97	88-104	100	-	-
Poles (pine)	-	-	-	-		60/T*	-	-
Mixed hardwood sawtimber <sup>2</sup>	175-230	221	210-270	225	225-275	258	190-200	194
Oak sawtimber	280-320	310	-	295*	-	-	365-500	439
Other hardwood sawtimber	-	-	-	-	-	-	200-400	**
Pine pulpwood	45-67	53	40-53	48.50	43-49	46.75	54-70	62.25
Hardwood pulpwood	35-60	51	35-51	40	35-45	38.50	44-51	48.25

<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.

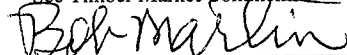
<sup>3</sup>"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.

<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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