

Box 9681  
Mississippi State, MS 39762

January/February, 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

Log supply continued to be the key factor in Mississippi's timber markets for January/February, as it was in November/December. Rainy weather kept logging and transportation operations difficult for much of the period especially in central and south Mississippi. Pine sawtimber stumpage prices were at record highs. Several reporters commented that there was "a good bit of timber on the market." They said apparently, landowners and consulting foresters were reacting to the high year-end prices and bringing more timber to market. The buyers noted however, that "timber prices were too high" and they were "only looking at winter logging tracts now." Many pine mills had lower-than-desired log inventories and were competing strongly for tracts of good pine timber that could be cut immediately. Average pine sawtimber stumpage prices moved higher in every price region of the state. While averages were in the mid \$400 price range there were reports of tracts bringing \$5 to \$600 per thousand (Doyle) in every region.

Strong demand for pine timber was pushed by a surging housing market. Housing starts were strong in January/February every area of the US, especially the Northeast and South. This fueled softwood lumber demand. A fairly mild winter in the Northeast allowed some construction to continue. Southern Pine Lumber output for 1997 was reported at 16.05 billion board feet (5.2% higher than 1996) and that pace seemed to carryover into 1998.

While prices were high for standing timber most buyers were looking forward to spring, better weather and lower prices. Many felt that as spring progressed, log availability would improve and prices would moderate. Even if prices moderate, the market for Mississippi pine sawtimber in 1998 is the best it has ever been. A few short years ago in 1992 statewide average pine sawtimber prices were \$243/MBF,<sup>D</sup>! This is a strong market signal to landowners. Keep your timberland productive by regenerating harvested lands and managing existing stands.

On the hardwood side, most mills were in satisfactory shape with log inventory, though some were needing logs. Log inventories were in better shape in north Mississippi than elsewhere. Mixed hardwood sawtimber average standing prices held steady while oak sawtimber prices moved higher. Several consultants remarked that oak prices in west central Mississippi were coming up.

Several mill contacts remarked that demand for oak lumber was good. Other species however, were soft. The ash market in particular was off late in the year.

Some individual hardwood sawtimber standing prices were:

North Mississippi	
Yellow Poplar	\$175/M
White Oak	\$200/M
Post Oak	\$100/M
Sweetgum and Hickory	\$125/M
Central Mississippi	
Yellow Poplar	\$150/M
White Oak	\$200/M
Sweetgum	\$130/M

Pine and hardwood lumber mill owners seem content with lumber markets and according to "Outlook" sections of trade journals, a good first half of 1998 is expected.

### Pulpwood

Paper and paperboard production was steady in early 1998 and pulpwood was in demand. Pulpwood yards and dealers reported that mills were in need of wood. Weather this winter has kept inventories of pulpwood thin and prices reported for pulpwood stumpage reflected the demand. Pine and hardwood pulpwood average standing prices moved higher statewide.

### Other Comments

Some Southern Pine Beetle (SPB) activity was reported in central Mississippi this time. Kemper County in particular was mentioned by one reporter. Some standing prices for SPB killed salvage timber reported in Central Mississippi were:

Pine Sawtimber	\$375/MBF
Pine Pulpwood	\$25/cord

We will undertake an evaluation of the Mississippi Timber Price Report later this spring. Recipients of the report are asked to look for the survey soon and please participate with your suggestions and comments when you receive it. The survey will be sent to all who receive the MTPR.

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. The report is now available through the 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 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>

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	342-562	479**	360-600	479**	435-600	484**	385-495	420
Chip-n-saw pine	90-110	97.50	86-100	90	95-155	97	-	-
Poles (pine)	-	-	-	-	612-824	661	-	-
Mixed hardwood sawtimber <sup>2</sup>	140-200	190	121-185	160	120-215	163	90-158	149
Oak sawtimber	225-425	320	295-495	380	-	250*	180-400	375
Soft hardwood sawtimber <sup>3</sup>	-	**	-	**	-	-	-	-
Rare hardwood sawtimber <sup>4</sup>	-	-	-	-	-	-	-	-
Pine pulpwood	30-58	39.50	35-50	42.50	27-60	44.00	20-31	27.00
Hardwood pulpwood	15-43	25.00	15-40	26.00	20-40	26.50	12-38	24.50

DELIVERED PRICES<sup>5</sup>

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	450-535	515	495-570	535	490-560	543	-	-
Chip-n-saw pine	-	135*	85-125	110	95-135	115	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber <sup>2</sup>	195-300	283	200-275	251	210-280	233	185-280	237
Oak sawtimber	250-420	380	370-465	425	285-379	356	380-510	455
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	25-65	56	39-67	59	42-69	60.00	25-55	49.00
Hardwood pulpwood	27-45	40.50	29-44	38.00	28-49	39.00	22-50	39.00

<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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