

Box 9681  
Mississippi State, MS 39762

January/February, 2002

## 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 "winter logging effect" and an improvement in the softwood lumber market pushed average pine sawtimber prices higher in January/February. Standing pine sawtimber average prices moved higher in January/February with prices ranging from \$412 to \$422/MBF, Doyle statewide. Foresters reported that tracts of good quality pine sawtimber were in demand and the number of bidders for most sales was increasing. Several reporters mentioned that buyer interest was increasing and they speculate that the next few months may be a good time to sell pine sawtimber until the "summer doldrums set in". A few foresters reported standing pine sawtimber prices over \$500/MBF, Doyle.

One reporter mentioned that the market for large pine sawtimber was much better than for chip-n-saw in his area of central Mississippi.

In the hardwood market, hardwood logs are in good demand and oak sawtimber held its own or moved a bit higher. The following individual species prices were reported in south Mississippi: cypress sawtimber \$165/MBF,D; Ash sawtimber \$367/MBF,D and Sweetgum sawtimber \$230/MBF,D.

#### Pulpwood

In the words of one reporter, "Mississippi's pulpwood market stinks". This is especially true for first thins of pine plantations in some parts of the state. Continued reports of poor prices for first thins have especially come from central and south Mississippi. Some foresters have refused offers of \$1 to \$4.50/ton waiting for better prices. In southwest Mississippi some foresters report better demand for hardwood pulpwood there. In spite of some "tough going" in marketing first thins, standing price averages for both pine and hardwood pulpwood moved a bit higher in January/February. Standing pine pulpwood averages ranged between \$6.25 - \$9/ton and hardwood remained between \$4.50 - \$7/ton.

#### Other Comments

US pulp and paper industry profits reportedly dropped 46.2% in 2001 due to weak market conditions, according to Pulp and Paper Week. The highly cyclical nature of the business was cited for the significant decline of earnings in 2001. Mill shutdowns continued across the country but none in Mississippi.

The Mississippi Timber Price Report is available on the World Wide Web. The current issue can be accessed through the Mississippi State University Extension Service Homepage. The Extension website has had a facelift and been combined with the MAFES site. The new site is at [www.msucares.com](http://www.msucares.com)>. Select "Forestry" from the left hand index and then select "Timber Price Reports" to find the Mississippi Timber Price Report on line. Individual price reports are available dating back to 1997. Other data will be added periodically.

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 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	338-482	422.75	362-516	418.50	356-468	417	375-455	412
Chip-n-saw pine	80-93	85	67-88	76.75	70-107	81.25	-	-
Poles (pine)	-	-	-	-	500-600	558	-	-
Mixed hardwood sawtimber <sup>2</sup>	130-206	165	180-278	211.75	140-192	171	130-177	150.50
Oak sawtimber	240-350	333	265-335	305	251-380	318	389-405	398
Soft hardwood sawtimber <sup>3</sup>	-	-	-	-	-	**	-	-
Rare hardwood sawtimber <sup>4</sup>	-	-	-	-	-	-	-	-
Pine pulpwood	16-28	23	15-26	20.50	18-29.25	21.50	13-18	16.25
Hardwood pulpwood	14-22	19	9-18	12.75	10-19	14	10-15.50	12.75

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	440-490	457	450-490	465	430-485	460	-	-
Chip-n-saw pine	-	-	80-100	95	85-108	97	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber <sup>2</sup>	230-280	270	225-285	265	232-279	250	230-280	252
Oak sawtimber	330-400	377	360-420	390	345-400	379	365-450	425
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	27-52	44	30-51	42	32-58	45	27-41	38
Hardwood pulpwood	26-55	33	20-50	30	25-45	32	24-37	29

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.

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

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

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

Delivered prices are values given at the sawmill or pulpwood yard gate.

Mississippi weight conversion factors for shortwood pulpwood by law are: pine = 2.6 tons/cord. ; mixed hardwood = 2.8 tons/cord.

There is no statutory weight conversion for sawlogs in Mississippi. Pine sawlog weight to lumber volume conversions vary by log diameter and range from 6.5 tons of logs/MBF of lumber to 12 or 13 tons/MBF. Most mills in Mississippi use weight conversion factors of 8 to 10 tons/MBF for southern pine. For hardwood logs (comprised mostly of oak and hickory), most mills use a conversion factor between 9 and 11 tons of logs/MBF of lumber. A mill's conversion factor will also vary according to the equipment configuration in the mill.

\*Only one price reported.

\*\*See Timber Market Comments.

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