# 2002 Harvest of Forest Products Report

**January 2004**

Mississippi's forest industry (including private landowners, independent harvesters and forest industry) harvested and delivered $1 billion worth of forest products to mills and other processors in 2002. The total value of Mississippi's 2002 timber harvest delivered to the first point of processing (such as a pulpwood yard or sawmill) was $1,038,355,697. This harvest value is 3.6 percent lower than 2001. The year 2002 was the tenth straight year Mississippi's timber production value was over $1 billion. Timber was the second most valuable agricultural commodity in 2002. Poultry and eggs was the most valuable with a $1.39 billion value, timber was second at $1.03 billion and cotton was third at $483 million. Mississippi's forest landowners collected $783 million for their standing timber in 2002. The estimated value of the logging and transportation sector was $254,690,783.

Severance tax collections on timber were $3,539,573. This total is 3.2% lower than 2001. Twenty percent of severance tax collections, or about $707,915 were returned to the counties where the timber was harvested. Eighty percent or about $2,831,658 went to the Forest Resource Development Program (FRDP) to provide cost share funds to private, non-industrial forest landowners for reforestation and other forest management practices.

The value of Mississippi's timber harvest decreased 3.6% in 2002. This decrease resulted from a decrease in most harvest volumes and prices. Pine sawlogs and plywood logs were the exceptions. Table 1shows the estimated value of the timber harvest for 2002.

The harvest volume of pine sawlogs increased slightly by 0.4% and their value increased 5.8%. Pine pulpwood volume declined by 5% and value dropped 11%. Pine plywood log volume and value increased slightly. The volume of pine poles decreased 13.3% and their value declined 14.5 percent.

Hardwood sawlog volume decreased 4.5% and value decreased 20.5%. Hardwood pulpwood harvest volume decreased by 16% and value dropped almost 23%. Hardwood veneer logs volume and value decreased 3.5%. Crossties declined slightly in both volume and value in 2002. Table 2 shows a comparison of 2001 and 2002 by product category.

The value of Mississippi's timber harvest decreased again in 2002. Volumes for Mississippi's major forest products - sawlogs and pulpwood - were lower in 2002 with the exception of pine sawlogs, which held steady. Delivered prices were lower for most products, except pine sawlogs that saw small increases. Delivered prices for hardwood sawlogs and pulpwood in some areas of the state experienced double digit decreases. Table 3 shows a comparison of prices for 2001 and 2002.

The decrease in timber harvest value for 2002 was not surprising. In 2001, Mississippi experienced a sharp 17.4% drop in timber production value and 2002 saw the trend continue. However, a good pine lumber market in 2002 helped to stem the declines.

A good US housing market fueled the pine lumber market and the southeast was the hottest construction area. Pine lumber production moved ahead in 2002 in spite of strong market competition from Canadian softwood lumber. Southern pine lumber production region-wide for the year 2002 was a near-record 16.5

billion board feet. Since pine sawlogs account for 66 percent of Mississippi's timber harvest value, this market helped steady the state's timber value performance in 2002.

Hardwood sawlog markets were plagued by too much production in 2002. For the year, Mississippi hardwood log harvest volume was about 4% lower and delivered log prices fell between 13 and 18%.

Mississippi's pulpwood economy was the most severely impacted by market slumps in 2002. Pulpwood harvest volumes dropped again in 2002. Mississippi has seen several years of decline in the pulp and paper sector. The total pulpwood harvest has dropped 24 % since 2000. Standing pulpwood prices declined from 3 to 8 percent and delivered prices dropped 5 to 12 percent. Pine pulpwood value fell 11 percent and hardwood pulpwood dropped nearly 23 percent. Overall, pine and hardwood pulpwood accounted for about 20 percent of the harvest value.

Mississippi's forest economy continues to change as the industry changes. In spite of these changes Mississippi forest landowners are in a good position to supply domestic and international timber demand. The long-term outlook for Mississippi timber production, especially for pine, remains positive. The recent Southern Forest Resource Assessment and other reports affirm that the South will continue to be an important timber-producing region for decades. In addition, recreational and non-timber values for forestland continue to develop. Landowners who are not managing their forestland are encouraged to start. As timber demand increases and southeastern states restrict timber harvesting in the future demand for Mississippi timber is projected to intensify. In addition, leaving your land more productive than when you acquired it is personally rewarding.

Table 4 shows harvested volumes of forest products for Mississippi counties within the Mississippi Timber Price Report regions. For current representative prices for Mississippi forest products consult theMississippi Timber Price Report.

For more information on timber marketing procedures and timber prices contact your County Extension Service or the Mississippi State University Department of Forestry, Box 9681, Mississippi State, MS 39762.

Sincerely,

**Dr. Bob Daniels**
**Extension Forester**