MISSISSIPPI STATE UNIVERSITY
EXTENSION SERVICE

Department of Forestry

2012 Harvest of Forest Products[1]

MTN - 28C **Forest Economics** **February 2013**

The Mississippi forest industry harvested and delivered $1.018 billion worth of forest products to mills and other processors in 2012. The forest industry in Mississippi and the harvest volumes in this report include all producers and harvesters of forest products paying a timber severance tax collected by the Mississippi Department of Revenue. The total estimated value of the 2012 Mississippi timber harvest delivered to the point of first processing (such as a pulpwood yard or sawmill) was $1,018,319,561. The estimated volume and value of the 2012 timber harvest by product is presented in Table 1. The 2012 harvest value is 6.4% higher than the 2011 value. This increase in harvest value is mostly attributable to a combination of higher harvest volumes for pine sawlogs and pine and hardwood pulpwood. The 2012 average pine sawlog product prices were lower as compared with 2011; however, total pine sawlog delivered value was higher in 2012 than 2011 because of the proportionately higher gain in harvest volume. (See Table 2). A comparison of 2012 and 2011 Mississippi timber product prices is presented in Table 3.

Timber was the third most valuable agricultural commodity in 2012. Poultry and eggs were the most valuable at $2.53 billion. Soybeans were second at $1.16 billion. Timber ranked at a very unusual third at $1.018 billion. Timber typically ranks first or second. Mississippi's forest landowners collected $469.5 million for their standing timber in 2012, an increase of 8.5% from the previous year. The estimated value of the harvesting and transportation sector[2], which is the difference between the delivered and standing values, increased 4.4% from the previous year to $547.4 million. The 2012 value of the harvesting and transportation sector accounted for 53.8% of the total harvest value as compared with 54.7% of the total harvest value in 2011.

Severance tax collections on forest products were $3,497,775 in 2012, which is 4.5% higher than 2011 collections. Twenty percent of severance tax collections, or about $669,555, were returned to counties where the timber was harvested. Eighty percent, or about $2,798,219, went to the Forest Resource Development Program (FRDP) to provide cost share funds to nonindustrial private forest landowners for reforestation and other forest management practices.

A comparison between 2012 and 2011 harvest volumes and delivered values by product category is presented in Table 2. The harvest volume of pine sawlogs increased by 10.8%, and its value increased 6.7%. Pine pulpwood volume increased by 1.3% while the value increased 3.4%. Hardwood sawlog volume fell 3.6%, and its value decreased by 0.5%. Hardwood pulpwood volume increased 2.3%, and its value increased by 16%. Christmas tree harvest increased 10% from the previous year and value increased by 34.8%.

[1] By James E. Henderson, Assistant Extension Professor.
[2] This sector includes logging firms, contractual services, contractual trucking, timber buyers, and wood dealers.

The estimated value of the harvesting and transportation sector accounted for 53.8% of the total harvest value in 2012 amounting to a 1.7% decrease in this proportion over the previous year. This relative decrease in the harvesting and transportation estimated value reflects a greater year over year increase in standing prices as compared with delivered prices in percentage terms for hardwood pulpwood and pine and oak sawlogs. Fuel prices in 2012 were actually slightly higher than 2011. This relative decrease in the harvesting and transportation estimated value resulted primarily from a 10.8% increase in harvest of pine sawlogs in 2012, a product category where stumpage comprises about 55% of the delivered value and accounts for 41% of the state's total harvest of forest products value.

The long awaited beginnings of a recovery in the markets for timber and timber products started to show during 2012, and the prospects for 2013 are positive. The Random Lengths framing lumber composite price for January 2013 is up 42.5 % from last year and up 92.4% from the low point reached in early 2009. These gains reflect increased demand for lumber resulting from sustained improvement in the U.S. housing market. New home construction has improved markedly since 2009, the low point for home construction following the recent recession. Housing construction is up 25.4% from this time last year as of November 2012 and is up 86.2% since the record low set in April 2009 when the seasonally annual adjusted rate (SAAR) for housing starts fell to 477,000 units. Building permits for new home construction are also trending in a positive direction. Permits are up 26.8% over the past year. Lumber futures finished 2012 at an eight-year high with prices for January 2013 lumber delivery reaching their highest level since April 2005, which was near the peak of the housing bubble.

Fueling the recent increase in new home construction are sharp declines in both newly constructed and existing home inventories. These are both measured in month supplies and have decreased to lows not seen since prior to the housing bubble collapse. These are all very favorable signs that Mississippi's timber markets should see improvement during 2013 that should intensify into 2014. Recovery efforts in New Jersey and New York from Super Storm Sandy will also help increase demand for building products. A recent housing construction forecast produced by the National Association of Home Builders indicates that U.S. housing starts will reach over 1 million units SAAR by 2014. Thus, the production of lumber and other wood building products will increase over 2013 and will continue into 2014.

Demand for pulpwood should also show improvement during 2013 as demand in the pulp market is correlated with GDP growth. Forecasts for GDP growth for the U.S. economy vary, but most favor maintaining growth around 2% over 2013. Demand for paper products used in advertising declined with the recession and had not rebounded well due to increasing use of digital advertising. However, pulping processes that can produce fluff pulp are poised to benefit, and demand for fluff pulp is expected to grow over the next several years. Fluff pulp is used in the manufacture of sanitary paper products such as tissue paper and diapers. Over the next 20 years, the size of the Asia-Pacific middle class in terms of spending is expected to grow from $4.8 to $32.6 trillion. Economic growth in countries with large populations and rapidly increasing economies will spur greater global demand for fluff pulp; that is one market segment for pulpwood that will see greater growth, and Mississippi pulpwood producers will benefit. This is not expected to translate into large price gains for pulpwood but should keep and improve viable markets for Mississippi pulpwood.

Harvested volumes by product and by county obtained from the Mississippi Department of Revenue are presented in Table 4. For information on current Mississippi timber prices, consult the Mississippi Timber Price Report available at www.msucares.com. Select "Forestry" then "Timber Prices." For more information on timber marketing, harvesting, or prices, contact your local County Extension Service or the Mississippi State University Department of Forestry, Box 9681, Mississippi State, MS 39762.

Table 1. Estimated volumes and values of the 2012 timber harvest.

Product/Unit[1]	Volume	Standing[2] Value($)	Delivered[2] Value($)
Pine Sawlogs, MBF, D	1,248,929	232,224,039	417,171,712
Hardwood Sawlogs[3], MBF, D	236,563	70,740,648	108,885,760
Pine Pulpwood, Cords	4,958,084	108,387,550	337,773,699
Hardwood Pulpwood, Cords	1,562,423	41,473,934	129,197,051
Poles, MBF, D	42,551	15,750,061	22,190,202
Crossties[4], MBF, D	3,844	900,723	1,645,836
Christmas Trees[5], Tree	29,700	**	1,455,300
Total Value		469,476,956	**1,018,319,561**

[1] Unit abbreviations: MBF = thousand board feet, and D = Doyle log rule.
[2] Standing and delivered values calculated using regional (north and south Mississippi) volumes reported by the Miscellaneous Tax Division of the Mississippi Tax Commission and product prices from sources such as Timber Mart-South.
[3] Composite price for hardwood sawlogs calculated under the assumption that hardwood sawmills cut 70% oak and 30% mixed hardwood.
[4] Crosstie values calculated using standing and delivered values for mixed hardwood sawtimber prices by region.
[5] Christmas trees value and volumes estimated by Mississippi State University Extension Forester Stephen Dicke.
** Not reported since most trees are sold as choose-n-cut.

Table 2. Comparison of 2011 and 2012 harvest volumes and delivered values by product.

	2011		2012			
Product/Unit[1]	Volume	Value	Volume	% Change	Value	% Change
		-Dollars-			-Dollars-	
Pine Sawlogs, MBF, D	1,127,690	391,015,371	1,248,929	10.8%	417,171,712	6.7%
Hardwood Sawlogs, MBF,D	245,499	109,475,524	236,563	-3.6%	108,885,760	-0.5%
Pine Pulpwood, Cords	4,896,054	326,754,399	4,958,084	1.3%	337,773,699	3.4%
Hardwood Pulpwood, Cords	1,527,559	111,423,913	1,562,423	2.3%	129,197,051	16.0%
					-	
Poles, MBF,D	30,360	16,092,151	42,551	40.2%	22,190,202	37.9%
					-	
Crossties, MBF,D	2,900	1,213,487	3,844	32.6%	1,645,836	35.6%
		-			-	
Christmas Trees, Tree	27,000	1,080,000	29,700	10.0%	1,455,300	34.8%
		-			-	
Total Value		957,054,844			1,018,319,561	6.4%

[1] Unit abbreviations: MBF = thousand board feet, and D = Doyle log rule.

Table 3. Comparison of 2012 and 2011 Mississippi major product prices[1].

		Standing Prices				Delivered Prices			
			Statewide Average				Statewide Average		
Product / Unit[2]	**Region**	**2012 Average**	**2012**	**2011**	**% Change**	**2012 Average**	**2012**	**2011**	**% Change**
Pine Pulpwood, Cords	North	17.50	20.96	21.30	-1.6%	66.73	71.17	69.41	2.5%
	South	24.43				72.09			
Hardwood Pulpwood, Cords	North	26.63	26.55	17.58	51.0%	72.30	82.69	72.91	13.4%
	South	26.47				73.52			
Pine Sawtimber, MBF,D	North	165.50	183.00	189.38	-3.4%	342.50	333.38	346.13	-3.7%
	South	200.50				349.75			
Mixed Hardwood Sawtimber, MBF,D	North	232.75	243.63	250.13	-2.6%	419.00	426.13	406.13	4.9%
	South	254.50				393.25			
Oak Sawtimber, MBF,D	North	330.25	325.25	305.75	6.4%	474.25	484.50	468.25	3.5%
	South	320.25				462.25			
Pine Poles, MBF,D	North	375.75	372.00	378.00	-1.6%	541.50	526.88	532.63	-1.1%
	South	368.25				523.75			
Pine Pulp, Ton	North	6.53	7.82	7.95	-1.6%	24.90	26.56	25.90	2.5%
	South	9.12				26.90			
Oak Pulp, Ton	North	9.19	8.94	6.06	47.5%	24.93	28.51	25.14	13.4%
	South	8.70				25.35			

[1] Data source: Timber Mart-South.
[2] Unit abbreviations: MBF = thousand board feet, and D = Doyle log rule.

Table 4. Mississippi’s 2012 harvested timber volumes by product and county[1].

	PINE	HARDWOOD	PINE	HARDWOOD	PINE	HARDWOOD	PINE		PINE	HARDWOOD
	LUMBER	LUMBER	SAWLOGS	SAWLOGS	PULPWOOD	PULPWOOD	POLES	CROSSTIES	CHIPS	CHIPS
COUNTY	MBF	MBF	MBF,D	MBF,D	CORDS	CORDS	C CU FT	MBF,D	TONS	TONS
NORTHERN REGION										
ALCORN			4,569.98	978.67	11,718.80	16,777.78				
ATTALA			33,272.68	2,306.67	155,663.13	29,748.04	32.64			
BENTON			3,496.00	1,717.33	14,460.47	13,186.67	0.25			
BOLIVAR			53.00	2,257.33	377.40	8,674.09			17.33	
CALHOUN			24,710.00	36.00	87,715.37	19,213.33	1.80			
CARROLL			3,147.77	1,358.67	63,239.27	22,734.93	10.64			
CHICKASAW			17,046.20	185.29	23,236.67	9,301.60	5.29			
CHOCTAW			21,375.97	2,544.00	122,976.27	43,790.76	5.94			
CLAY			10,095.99	1,458.67	24,717.70	33,530.67	0.46		192.29	126.67
COAHOMA			756.00	338.67	72.70	5,937.96	0.15			
DESOTO	14.67		243.00	265.33	2,388.03	5,751.11				
GRENADA			5,061.00	84.00	48,243.90	19,831.38	0.79		257.33	
HOLMES		678.67	5,460.71	4,475.95	67,233.50	25,758.53	5.01	57.33		
HUMPHREYS			4.00	397.03	33.33	5,638.84				
ISSAQUENA			167.00	7,670.67	869.67	44,607.16				
ITAWAMBA			25,384.00	3,546.61	23,600.00	36,200.00				
KEMPER			64,362.21	1,465.33	162,057.30	58,665.47	49.50		734.19	490.67
LAFAYETTE			8,905.00	1,241.33	70,622.83	8,037.16	2.70			
LEAKE			23,280.54	3,184.00	102,981.83	17,127.24	16.73		446.77	412.00
LEE			6,948.00	867.16	10,521.47	9,724.44	0.17		80.43	
LEFLORE			104.80	94.67	30.00	2,749.42				
LOWNDES			5,468.93	361.33	21,686.87	6,445.47	0.21	1,065.33	2,577.88	198.67
MADISON			9,882.48	2,875.53	90,206.23	19,169.38	0.37			
MARSHALL			6,300.00	1,078.67	10,506.67	6,698.93				
MONROE			27,641.36	1,920.00	24,087.13	34,087.13	0.51		1,777.57	22.67
MONTGOMERY			20,385.00	425.60	68,934.87	20,685.42	9.49			
NESHOBA			21,552.74	2,548.23	59,699.30	26,924.18	24.73	192.00	841.81	
NOXUBEE			24,205.87	1,504.00	84,187.10	17,087.96	3.75		495.89	22.67
OKTIBBEHA			21,263.10	150.67	51,995.50	9,240.58	4.49	2,248.00	556.68	
PANOLA			1,679.73	1,326.67	38,332.90	18,293.60			1,233.33	
PONTOTOC			8,748.00	118.67	36,221.37	7,353.60	0.22			
PRENTISS		6.67	9,080.00	2,692.00	16,950.00	21,400.00	0.07			
QUITMAN			258.49	13.33		1,086.89				
SHARKEY				2,860.28	46.67	11,282.09				
SUNFLOWER						80.98				
TALLAHATCHIE			265.00	1,686.57	5,156.67	5,690.53				
TATE			358.00	816.00	3,454.83	1,661.96				
TIPPAH			2,641.47	674.67	18,823.33	10,591.11	0.49			
TISHOMINGO			5,899.91	3,013.33	64,776.67	36,724.44	0.56			
TUNICA			4.00	2.67	10.00	1,473.91			53.33	
UNION			13,683.00	1,406.67	16,370.00	12,004.49	0.13			
WASHINGTON			11.00	894.93	103.87	9,946.13				
WEBSTER			31,006.00	1,960.00	69,724.97	15,200.44	12.55	4.00	31.04	
WINSTON			31,555.18	3,202.33	72,958.00	25,850.62	4.58		50.96	626.76
YALOBUSHA			12,033.35	40.00	43,780.27	11,298.93	1.28			
YAZOO			676.02	6,458.28	39,956.97	15,703.51				
NORTHERN TOTAL	14.67	685.33	513,042.48	74,503.80	1,830,729.80	782,968.87	195.51	3,566.67	9,346.85	1,900.10

[1] Data source: Mississippi Department of Revenue.

Table 4. Mississippi’s 2012 harvested timber volumes by product and county (cont.) [1].

	PINE	HARDWOOD	PINE	HARDWOOD	PINE	HARDWOOD	PINE		PINE	HARDWOOD
	LUMBER	LUMBER	SAWLOGS	SAWLOGS	PULPWOOD	PULPWOOD	POLES	CROSSTIES	CHIPS	CHIPS
COUNTY	MBF	MBF	MBF,D	MBF,D	CORDS	CORDS	C CU FT	MBF,D	TONS	TONS
SOUTHERN REGION										
ADAMS		278.67	6,529.00	10,357.73	7,504.60	23,074.36	0.51			
AMITE		1,659.44	87,039.68	5,316.00	67,244.33	30,051.64	8.72			
CLAIBORNE		9.33	10,441.41	13,574.67	55,329.60	44,645.78	9.08			
CLARKE			29,421.17	2,519.48	164,262.53	29,268.13	98.47		5,384.93	121.33
COPIAH			45,064.10	8,836.00	164,807.10	40,674.71	29.59		4.23	
COVINGTON	214.67		14,865.24	2,265.33	106,649.37	10,236.44	0.75		675.11	664.00
FORREST	261.33		6,122.17	286.67	52,710.53	2,528.00	0.58		4.28	85.33
FRANKLIN		109.33	54,583.26	5,116.00	83,281.90	39,043.56	11.33	257.33		
GEORGE	234.67		3,269.88	400.47	41,080.47	2,808.98	0.51		241.27	105.33
GREENE	766.67		11,638.99	1,609.33	145,049.63	14,583.96	2.68		26.96	
HANCOCK	254.67		7,968.50	37.33	28,338.97	277.78	0.26			18.67
HARRISON	308.00		6,470.00	125.33	39,974.00	552.09	0.18			109.33
HINDS			5,554.62	10,478.67	57,536.10	28,283.42				
JACKSON	32.00		3,172.12	168.00	39,578.17	780.93			258.85	22.67
JASPER			25,196.47	4,564.00	122,281.47	25,966.80	18.37		6,477.72	922.67
JEFF DAVIS			27,076.46	1,720.00	101,334.67	7,767.38	2.32		51.76	175.77
JEFFERSON		1,077.33	20,601.96	7,697.33	54,710.30	20,678.22	12.45			
JONES			11,025.17	2,193.85	104,564.97	23,960.18	7.28	5.33	1,304.69	118.67
LAMAR			11,620.39	705.33	63,064.97	2,254.89	2.56	14.67	65.33	
LAUDERDALE			30,962.14	2,213.99	114,993.20	42,538.09	26.18		3,208.71	445.33
LAWRENCE			31,214.77	1,505.33	96,513.87	13,129.73	5.23		4.31	
LINCOLN		20.00	26,258.48	3,389.33	127,623.73	23,182.22	21.63			
MARION	118.67		21,741.74	3,126.67	123,546.10	20,843.16	1.40		3.61	84.00
NEWTON		12.00	20,568.82	3,034.67	114,794.73	24,800.62	16.34		4,308.40	1,781.33
PEARL RIVER			17,955.23	2,153.33	96,711.83	7,419.24	0.21			244.00
PERRY			7,584.18	405.33	96,502.27	7,025.42	1.26		12.16	6.67
PIKE		4.00	14,958.85	1,149.33	74,125.33	8,853.87	2.15			
RANKIN			18,809.29	7,100.00	112,605.57	15,360.58	14.91		1,103.43	1,132.00
SCOTT			20,022.11	4,431.04	110,795.87	75,381.91	13.18		2,311.33	1,235.51
SIMPSON			33,230.82	5,057.33	106,447.90	43,852.22	9.29		621.99	
SMITH			17,455.02	6,829.33	108,617.50	19,755.29	6.91		3,025.76	677.33
STONE			12,606.18	365.36	28,086.93	702.84	229.33			
WALTHALL	180.00	13.33	7,163.23	782.67	67,132.47	4,363.20				201.33
WARREN			914.47	27,508.00	1,370.27	58,829.69				
WAYNE			23,787.46	2,761.69	161,599.90	21,765.60	21.08		3,513.77	62.67
WILKINSON		1,385.33	40,608.27	7,004.00	70,446.60	40,601.16	3.43			
SOUTHERN TOTAL	2,370.67	4,568.77	733,501.65	156,788.94	3,111,217.74	775,842.09	578.15	277.33	32,608.60	8,213.95
GRAND TOTAL	2,385.34	5,254.11	1,246,544.13	231,292.74	4,941,947.54	1,558,810.96	773.66	3,844.00	41,955.45	10,114.04

[1] Data source: Mississippi Department of Revenue.