

MCES Timber Price Report

**Agriculture Economics Department
Extension Forestry Department**

P. O. Box 5446
Mississippi State, MS 39762

July/August 1990

MCES TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

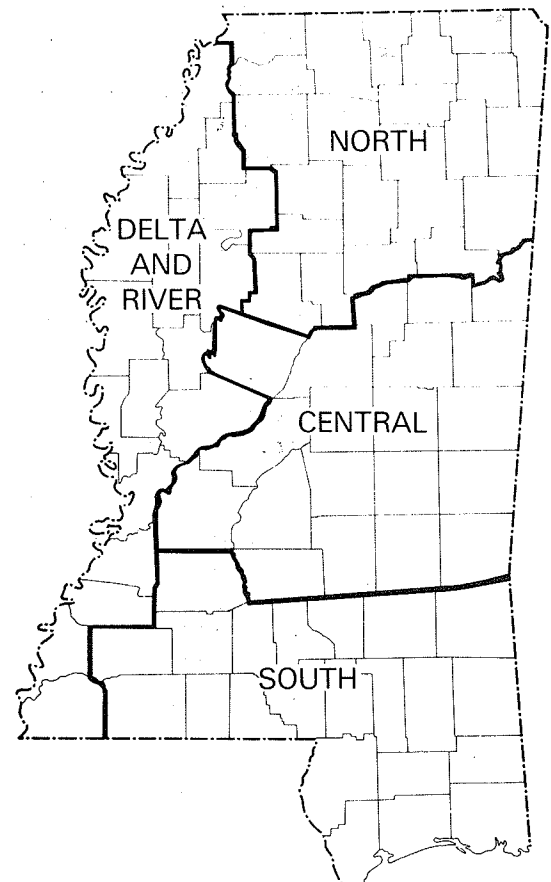
The MCES Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with MCES to provide an accurate picture of timber market activity. Mississippi is divided into four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

Logging conditions are very good. Harvesting crews have been able to harvest timber virtually anywhere in the state. Consequently, logs and pulpwood have been plentiful in July and August. Several mills have stopped log deliveries and one mill operator said he was "drowning in logs." Another said if he got any more logs he'd "have to put them on the porch." Some mills, however, are taking advantage of the logging situation to build winter log inventories. Most mills will begin storage for winter soon.

Prices for pine sawtimber have held steady with the exception of north Mississippi. Some higher prices have been received throughout the state for tracts with good volume and winter access, but competition is most intense in the south and central regions. As winter approaches most buyers expect the pine market to get more active. Currently, market activity is fair to slow, due to excellent logging conditions and a sluggish pine lumber market. Several foresters mentioned that currently pine stumpage prices were high while pine lumber prices are low. Market prices for wide pine dimension lumber (2 x 10's and 2 x 12's) were mentioned as particularly weak. Another factor contributing to slow timber markets is mills trying to cut tracts that they have already purchased but haven't been able to cut due to poor conditions. As these tracts are finished, buyers expect to come back into the timber market again.

On the hardwood side, logs are very abundant now and many mills are "blocked out" (meaning they are not accepting logs). Several hardwood mill operators commented that the lower grades of red oak were selling well but that demand for the high grade red oak lumber (FAS and No. 1 common) has been off since mid-July. Mill owners were uncertain about what will happen to demand for the upper grades; but most expected the current supply situation to put downward pressure on lumber and stumpage. In this report hardwood stumpage prices have moved down from last period.

Delivered pine sawtimber prices in southeast averaged \$292/MBF with prices in the southwest averaging \$245/MBF. Reported standing pine prices averaged \$211/MBF and \$205/MBF respectively in the southeast and southwest.

Some miscellaneous prices for forest products were reported in the central region as follows: white oak sawtimber stumpage \$110/MBF; white oak delivered log prices \$155/MBF; yellow poplar delivered prices \$138/MBF; ash delivered log prices \$220/MBF; eastern red cedar delivered price \$70/cord (Oktibbeha County) and pine plywood logs (9 feet long) delivered prices \$180/MBF.

Pulpwood

Both pine and hardwood pulpwood markets were reported as "slower." Pine pulpwood was reported moving okay while hardwood was "hard to move." Several dealers in the north and central region commented that the hardwood pulpwood market had "dried up" but most thought that would change after a few good rains.

Despite talk of slack demand, however, pulpwood prices were down in some areas, but steady or slightly higher in others. Price is perhaps not as good an indicator of the market as the quantity being taken at the mills. Many dealers commented that they were taking lots of pine pulpwood but very little if any hardwood now.

Other Comments

The chip-n-saw market is holding strong in the south. Standing chip-n-saw pine average \$35.50/cord and delivered averaged \$72/cord. Standing pole prices averaged \$306/MBF in the south with delivered prices reported at \$40/ton. This issue contains charts depicting average pine and mixed hardwood sawtimber prices over the past year.

Anyone can receive the MCES Timber Price Report by contacting their County Agent or the Extension Forestry Department.

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DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	86-227	167	150-265	207	172-235	208	-	-
Chip-n-saw pine	-	37	30-40	37.50	25-40	35.50	-	-
Poles (pine)	-	-	-	-	280-350	306	-	-
Mixed hardwood sawtimber ²	65-150	99	55-150	94	60-101	80	70-130	98
Oak sawtimber	-	150*	95-252	168	176-225	200	-	-
Soft hardwood sawtimber ³	-	-	-	**	45-90	69	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	8-20	11	8-24	13.50	5.50-20	12.75	10-12	10.75
Hardwood pulpwood	3-5	4	4-14	8.25	3-14	7.50	4-7	5.50

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	235-272	251	220-300	268	225-300	274	-	-
Chip-n-saw pine	-	70	67-72	69.50	62-80	72	-	-
Poles (pine)	-	-	-	-	-	40	-	-
Mixed hardwood sawtimber ²	157-200	176	150-200	181	170-200	191	145-205	169
Oak sawtimber	-	210	-	-	-	-	200-300	263
Other hardwood sawtimber	-	-	-	**	-	-	138-350	**
Pine pulpwood	34-49	38.50	37-54	40	29-39	36.25	-	47*
Hardwood pulpwood	31-42	34.50	28-48	34.50	30-41	34.50	32-38	36

¹Prices 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.

²"Mixed Hardwoods" are mostly: Low-grade Oak, Beech, Cottonwood, Willow, Elm, Gums, Locust, Hackberry, Magnolia, Pecan, Hickory, Sycamore, Tupelo and Birch.

³"Soft Hardwoods" are mostly: Cottonwood, Willow, Poplar and Gum.

⁴"Rare Hardwoods" are mostly: Walnut, Cherry, Royal Paulownia, Persimmon, some species and grades of Cypress, certain prime grades of Cherrybark and White Oaks.

⁵Delivered prices are values given at the sawmill or pulpwood yard gate.

*Only one price reported.

**See Timber Market comments.

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