



Mississippi State University Extension Service

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Mississippi Agricultural and Forestry Experiment Station

Mississippi Timber Price Report

May/June, 2001

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 pine lumber market has improved much since January but mills are still cautious about buying timber and landowners are holding timber off the market. Many lumber producers are waiting to see how the softwood lumber agreement dispute plays out. A recent preliminary finding by the Department of Commerce that the Canadian government does subsidize its lumber industry supplied some hope to the southern pine lumber market. The DOC is due to announce the preliminary countervailing duty by July 27.

Foresters report that many mills are keeping log inventories thin. With the pine lumber production level lower compared to last year, mills are more selective about the logs they buy. But several reporters in north and central Mississippi remarked that the number of bidders on the sales they have made have increased. One reporter commented that "there was good demand for tracts with a large tree average" (i.e. quality pine sawtimber). This interest by lumber mills is being interpreted by some that the coming months could be the best time all year to sell pine timber. The Softwood Lumber Agreement situation seems to be improving and the US housing market remains good - about 1.6 million starts.

The hardwood lumber market is lower this summer than last. However, the market for oak sawlogs has been steady this spring and average stumpage prices have been between \$300 and \$375/MBF for good quality logs. An exception has been south Mississippi where oak price data was sparse but oak prices appear to be lower than the rest of the state. Mixed hardwood sawtimber standing price averages ranged from \$116 to 160/MBF.

Hardwood lumber is reported selling well but prices are lower than a year ago by about 5%. Reports are that the Spring, 2001 High Point (NC) Furniture Show had better business than many sawmill owners expected. Though the market was better than expected, the activity level at High Point was reported slightly below 2000.

Pulpwood

Mississippi's pulpwood market continues depressed. The U.S. paper and paperboard industry continues to suffer from a combination of a slower economy and a strong US dollar. Paper and paperboard production through February, 2001 was 7.3% lower than a year earlier, reflecting the slowing of the US industry. Newsprint production was off 5.2% and market pulp production was down 11.8% compared to last year. Standing pine pulpwood price averages remained weak between \$5.75 and \$6.75/ton and hardwood ranged a bit better between \$3.00 - \$5.00/ton. These prices are the lowest we've seen since the mid-1990s.

Other Comments

Through June, timber severance tax collections (an indicator of the level of timber harvest in Mississippi) were 8% behind collections from June of 2000. This supports comments that foresters have been making all spring, that landowners are holding their timber off the market in hopes of better prices in the future. It also reflects the fact that mills have closed, paper and lumber production is down and the industry is using less timber.

What will the condition of Mississippi's forests be in 2025? As summer commences, a very important project that will help determine the answer is underway. In this year's session of the Mississippi Legislature, Senate Concurrent Resolution 574 was passed that "created a study taskforce to develop a strategic initiative for forest-based economic development". This taskforce will present a report on December 1, 2001 that will detail a strategy for using Mississippi's forests for economic development in the future. Anyone that wishes to enjoy better timber markets in the future should be interested in this process.

Would you like to receive Mississippi Timber Price Report (MTPR) information by E-mail? If you would like to receive a short version of the MTPR to your E-mail box send a message requesting this to the following address: bobd@ext.msstate.edu. We'll add your email address to a distribution list to send this information to you.

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.msucare.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.

MISSISSIPPI TIMBER PRICE REPORT, May/June, 2001
 DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER¹

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	350-379	364.50	296-474	392	350-454	389.50	345-390	380
Chip-n-saw pine	-	70*	-	60*	68-76	73	-	-
Poles (pine)	-	-	-	-	-	550*	-	-
Mixed hardwood sawtimber ²	-	152	100-204	160	80-185	154	85-160	116
Oak sawtimber	270-370	346	275-538	305	-	180*	300-380	345
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	13-24	17.50	8-25	16.50	12-25	16.50	-	15*
Hardwood pulpwood	11-17	14	10-16	12.50	8-15	10.50	6-10	8

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	420-440	430	425-450	440	420-450	435	-	-
Chip-n-saw pine	-	-	80-90	84	81-95	88	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	230-265	245	210-270	240	225-260	235	200-253	222
Oak sawtimber	354-425	380	370-425	395	350-395	360	380-445	437
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	30-62	48	31-47	40	33-55	42	28-42	41
Hardwood pulpwood	28-56	34	25-46	33	28-42	31	25-36	29

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 Cherry bark and White Oaks.

⁵Delivered 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.

Bob Daniels, Extension Professor : (662) 325-3150

