

Box 9681
Mississippi State, MS 39762

November/December, 2001

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 co-operators 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

Pine sawtimber stumpage prices moved up a bit in central Mississippi (the most competitive timber market area in the state) and held steady in other areas. This is a common pattern as we enter the winter season. Reporters continued to comment that the number of sales this year has

been lower but several remarked that landowners were testing the market late in the year, mostly in November. Those that did test the market found buyers ready to bid on good sawtimber tracts of pine and hardwood. According to reporters, tracts "heavy to pulpwood" did not garner near the interest that sawtimber tracts did. Many foresters reported 5 to 13 bidders per sale for good quality sawtimber sales. Rains also helped give some urgency to the coming winter log market.

On the hardwood side, rainy weather kept log supplies on edge and mills were wanting logs to ease the tensions early in November but by mid December log supplies had improved. However, lumber prices made timber buying decisions hard for mill owners. While lumber sales were fair before the holiday lull prices were lower than six months earlier. By year's end lumber producers were enjoying the Christmas holiday and hoping for an economic recovery in 2002.

Hardwood sawtimber standing prices improved in November/December. Prices ranged from \$139 to \$248/MBF,D for mixed hardwood species and from \$309 to \$359/MBF,D for good quality oak sawtimber.

Pulpwood

The paper industry remained sluggish in December. The change in production levels for the US industry in October was all negative, except in newsprint and tissue papers. Compared to October of the previous year newsprint production was up 10.9 percent and tissue production was 2.6 percent ahead. The paper industry is again ending a very tough year that was marked by consolidations and mergers. Foresters continue to complain about the difficulty moving pulpwood, especially first plantation thinnings. The problem appears to be most difficult in southeast Mississippi since the closure of the pulp and paper mills at Mobile, AL.

Pine pulpwood prices increased slightly or held steady in November/December with prices in the \$16/cord to \$23/cord (\$6 to \$9/ton) range. Hardwood pulpwood stumpage prices moved lower to the \$10/cord to \$17.50/cord (\$3.50 to \$6.25/ton) range.

Other Comments

The Mississippi Business Journal had a story announcing the addition of a new \$25 million Duramine plant that Georgia-Pacific is installing at it's Oxford particleboard plant. The facility manufactures laminated particleboard for use in the ready-to-assemble furniture market. The addition requires a 150,000 square foot laminating facility and creates 50 new jobs. The Oxford Duramine plant is the first laminating facility for GP.

The year 2001 was a tough year for forestry in Mississippi. The pine and hardwood lumber markets struggled all year to balance too much production with market demand. The pine lumber market was further complicated by the dispute over Canadian Lumber imports earlier in the year. According to timber severance tax collections, it looks as if Mississippi's timber harvest volume is down about 10% from 2000. The final figures will be available in 2002. In any event, the Mississippi forestry community will be glad to see 2001 go and look forward to a better year in 2002.

The Mississippi Timber Price Report is available on the World Wide Web 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 is added continually.

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 TIMBER¹

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	325-424	380	385-490	415	350-454	392.5	365-410	391
Chip-n-saw pine	65-107	86	67-88	81	68-76	69	-	-
Poles (pine)	-	-	-	-	500-641	550	-	-
Mixed hardwood sawtimber ²	150-239	178	200-291	248	80-185	161	116-185	139
Oak sawtimber	205-478	334	-	310*	-	309*	310-365	345
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	18-35	23.50	13-23.75	17.50	12-25	18.50	-	16*
Hardwood pulpwood	13.50-21.50	17.50	9-113.50	11.50	8.50-20	11.50	8-14	10

DELIVERED PRICES⁵

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	400-430	427	425-455	448	420-460	442	-	-
Chip-n-saw pine	-	-	85-107	97	79-95	91	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	220-275	250	300-335	320	220-255	240	210-250	235
Oak sawtimber	370-420	382	380-465	400	353-385	368	375-486	422
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	33-60	50.25	33-51	46	36-57	49	30-50	40
Hardwood pulpwood	26-55	34.50	27-54	37	30-55	34	27-55	33

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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