



Mississippi State University Extension Service

Coordinated Access to the Research and Extension System

Mississippi Agricultural and Forestry Experiment Station

Box 9681, Mississippi State, MS 39762

July/August, 2002

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 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

While the sawtimber market remains at the usual slow summer pace, reporters comment that there is no problem selling good quality sawtimber - either pine or hardwood. Most consulting foresters reporting, however, have not made many sales presumably waiting for better prices this fall. Standing pine sawtimber average prices ranged from \$378 to \$400/MBF,D.

Good quality hardwood logs are finding good markets this summer, though one reporter commented that the sluggish hardwood pulpwood market was a drag on the sawtimber market. Standing average prices for mixed hardwood sawlogs ranged from \$140 to \$192/MBF, D and oak sawtimber ranged from \$245 to \$345/MBF, D.

Pulpwood

Difficulty in finding markets for first thinnings of pine plantations remains a common complaint. This is especially true in south Mississippi. In central Mississippi some reporters commented that pulpwood demand has been better there. Standing price averages for both pine and hardwood pulpwood moved a bit lower in July/August. Standing pine pulpwood averages ranged between \$7 - \$8/ton and hardwood remained between \$4.25 - \$5.25/ton.

The August issue of Pulp and Paper magazine carries an article on the outlook for the paper industry. In the article, the authors report continued weak demand for paper in the first half of the year but are optimistic for the second half. Let's hope that they are correct.

Other Comments

Southern pine lumber production is reported at an adjusted rate for the year through June of 15.4 billion board feet according to the Southern Forest Products Association.

Timber projections for the southern region continue to predict good steady markets for southern timber well into the future. Landowners that have forest land are encouraged to manage their forests for timber, recreation and profit.

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.msucares.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.

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DON'T FORGET TO CHECK THE TIMBER MARKET COMMENTS!

STANDING TIMBER¹

| | <u>North</u> | | <u>Central</u> | | <u>South</u> | | <u>Delta and River</u> | |
|---------------------------------------|--------------|---------|----------------|---------|--------------|---------|------------------------|---------|
| | Low-High | Average | Low-High | Average | Low-High | Average | Low-High | Average |
| Pine sawtimber | 350-415 | 378 | 374-450 | 390 | 371-410 | 380 | 375-415 | 400 |
| Chip-n-saw pine | 66-75 | 70 | 61-85 | 74 | 60-82 | 72 | - | - |
| Poles (pine) | - | - | - | - | - | - | - | - |
| Mixed hardwood sawtimber ² | 110-160 | 140 | 165-218 | 192 | 115-182 | 160 | 130-177 | 150.50 |
| Oak sawtimber | 240-315 | 285 | 269-330 | 310 | 221-300 | 245 | 325-400 | 345 |
| Soft hardwood sawtimber ³ | - | - | - | - | - | ** | - | - |
| Rare hardwood sawtimber ⁴ | - | - | - | - | - | - | - | - |
| Pine pulpwood | 13-20 | 18 | 14-24 | 21 | 13-22 | 18 | - | - |
| Hardwood pulpwood | 8-15 | 13 | 10-16 | 14.50 | 10-16 | 14 | 9-14 | 12 |

DELIVERED PRICES⁵

| | <u>North</u> | | <u>Central</u> | | <u>South</u> | | <u>Delta and River</u> | |
|---------------------------------------|--------------|---------|----------------|---------|--------------|---------|------------------------|---------|
| | Low-High | Average | Low-High | Average | Low-High | Average | Low-High | Average |
| Pine sawtimber | 430-457 | 441 | 455-485 | 475 | 435-480 | 461 | - | - |
| Chip-n-saw pine | - | - | 88-98 | 92 | 82-99 | 90 | - | - |
| Poles (pine) | - | - | - | - | - | - | - | - |
| Mixed hardwood sawtimber ² | 220-265 | 252 | 240-280 | 272 | 225-266 | 245 | 242-266 | 250 |
| Oak sawtimber | 340-485 | 370 | 359-410 | 391 | 330-385 | 340 | 365-450 | 430 |
| Other hardwood sawtimber | - | - | - | - | - | - | - | - |
| Pine pulpwood | 25-47 | 39 | 31-44 | 40 | 26-41 | 36 | 25-37 | 33 |
| Hardwood pulpwood | 24-40 | 29 | 20-39 | 30 | 24.50-42 | 30 | 22-35 | 28 |

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.