



Mississippi Timber Price Report

Department of Agricultural Economics • Department of Forestry

Box 9681
Mississippi State, MS 39762

September/October, 1998

MISSISSIPPI TIMBER PRICE REPORT

1. WHAT IS THIS REPORT?

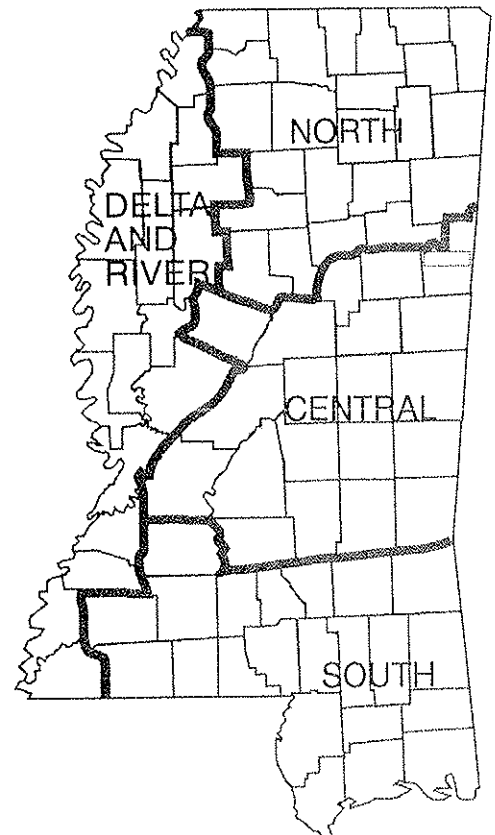
The Mississippi Timber Price Report is a bimonthly survey of stumpage and delivered timber prices in Mississippi. It is developed through the cooperation of public and private members of the forestry sector with the Mississippi State University Extension Service to provide an accurate picture of timber 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

The timber market in Mississippi remained sluggish in September/October. While timber sales continue to be made, the general level of activity is noticeably less. Log yards are full of inventory in most areas of the state. Many mills are limiting log deliveries and many landowners and consultants are keeping their timber for better markets.

The "market's just slow" one reporter commented. "There is plenty of wood available and uncertainties in the lumber market have made buyers cautious," another reported. They are right. Dry weather into the fall made logging easier and log inventories have improved, causing some pine mills to close their gates a day or two a week. With less timber on the market companies have been concentrating on tracts already purchased but not yet cut. The emphasis on using "standing inventory" has created the situation where many mills have plenty of logs on the yard but standing inventories are not where procurement managers would like them to be.

This may be the brightest spot in the pine sawtimber market. As winter rains begin mills will likely be looking for "winter logging" tracts and competition for these tracts could get fierce this winter. For now, a steady pine lumber market with lots of lumber available means buyers are looking for timber at their price. Basically, for pine it's a "buyer's market" in September/October.

Even though construction spending and housing starts have been the best in a decade, there is plenty of softwood lumber from many sources to fill demand and keep prices competitive.

Pine stumpage prices dropped a bit state wide to the range of \$400 to \$425/MBF, Doyle on average. This may be the lowest we'll see with winter approaching. Most year's prices move higher in the winter.

On the hardwood side, the oak sawtimber market is another bright spot. While mixed hardwood timber prices slipped a bit, oak sawtimber prices generally moved higher. Many foresters reported that the hardwood market was better than the pine market in September/October. The hardwood timber market however, was also affected by an excess log supply. Hardwood mills were busy stocking logs for the winter but that activity will likely slow as Christmas approaches.

Both the pine and hardwood sawtimber markets have been affected by the oversupply of pulpwood, too. As it becomes more difficult to sell pulpwood, the prices buyers can pay for tracts moves lower.

To sum it all up, the timber market is a "buyers market" right now, but some landowners are making good sales on quality timber on tracts with good access. A few sales of \$500/MBF, Doyle for pine sawtimber were reported in North, Central and South Mississippi but these were exceptions kept out of the regional averages.

Pulpwood

Virtually all reporters noted that the pulpwood market is still poor, especially for hardwood. Hardwood pulpwood is plentiful and many foresters report trouble moving it at all, currently. Standing prices for both pine and hardwood pulpwood moved lower in September/October. One pulpwood dealer commented that "rain will be welcome in the pulpwood market."

In part however, the pulp market is being affected by the world economic situation particularly the Asian countries experiencing recession now. "This may not turn around quickly," commented one reporter.

Other Comments

Many reporters continue to comment about dead trees they see during their travels. Most comment that the dead trees seem to be isolated and some of the damage appears due to Ips beetles but "red topped pines" put foresters on alert. It's likely that beetle activity will wane with winter coming but landowners are advised to monitor their timber. Very little Southern Pine beetle activity was reported.

The Mississippi Timber Price Report is now available on the World Wide Web. It can be accessed through the Mississippi State University Extension Service Homepage at <<http://www.ext.msstate.edu>>. Select "Agriculture and Natural Resources" then select "Forestry" and then "Timber Prices." Current price reports are available and other price data is being added.

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 P.O. Box 9681, Mississippi State, MS 39762

As always, your comments, pro and cons 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	350-475	400**	297-465	411**	390-450	425**	410-460	422
Chip-n-saw pine	83-100	87	85-100	89	80-114	84	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber ²	143-250	176	145-260	185	155-215	206	130-194	145
Oak sawtimber	200-350	293	275-450	358	200-320	277	220-450	370
Soft hardwood sawtimber ³	-	-	-	-	-	-	-	-
Rare hardwood sawtimber ⁴	-	-	-	-	-	-	-	-
Pine pulpwood	25-38	28	16-40	26	22-37	26.25	18-31	21
Hardwood pulpwood	12-24	16.50	7-25	17.75	10-20	18	10-24	16.50

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	455-495	486	470-500	490	470-510	500	-	-
Chip-n-saw pine	-	-	87-114	105	92-115	103	-	-
Poles (pine)	-	-	-	-	68/T		-	-
Mixed hardwood sawtimber ²	235-255	243	231-287	268	240-285	271	215-285	240
Oak sawtimber	344-400	388	380-450	420	330-380	357	385-475	429
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	27-46	40	30-47	41	32-49	44	26-38	36
Hardwood pulpwood	30-41	32	31-43	35	29-39	33.50	20-42	34

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.


Bob Daniels
Extension Forester
(601) 325-3150