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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 demand for “winter logging” tracts due to continuing wet weather and a good housing market supported higher average pine sawtimber prices in January/February. Standing pine sawtimber average prices moved higher in January/February with prices ranging from $386 to $435/MBF, Doyle statewide. Foresters reported that tracts of good quality pine sawtimber were in demand and the number of bidders for most sales was increasing. One forester said that “February in north Mississippi was very wet and the demand for good logging with access is high”. A few foresters reported standing pine sawtimber prices over $500/MBF, Doyle. Many mills are low on logs and standing inventories are reported to be low. Mill reporters mention that they are seeking logs to bolster mill inventories. Price averages in southwest

Mississippi were generally lower than prices in southeast Mississippi. Since a few mills have closed in southwest Mississippi this past year timber markets in the southwest have become soft.

While average prices have moved higher, figures from timber severance tax collections indicate that Mississippi's timber harvest level in January was down 25% compared to the previous year. This was likely due to very wet weather in January and difficulty operating in the woods. Many loggers report missing work days due to weather this winter. Timber tax collections indicate that harvest levels rebounded to 100% of the previous year's levels in February.

The housing market remained strong in February with a seasonally adjusted annual rate of 1.6 million units. Plenty of softwood lumber is available, however, and softwood lumber prices remain low. Random Lengths' composite lumber index and the composite panel index are both lower this year than the same time last year.

In the hardwood market, hardwood logs are in good demand and oak sawtimber held steady or moved a bit higher. As hardwood lumber demand improves, hardwood lumber mills have adequate lumber inventory but much of it is not yet dry enough for market due to the poor drying weather in the South this winter. Several mill reporters commented that there is not enough timber on the market now and that they would welcome sales now. Typically, the period from March to May is the time when hardwood mill log inventories begin to run thin but the "log supply pinch" has come early this year.

Pulpwood

The US pulp and paper industry is being cautiously optimistic that the recession in the industry may end in 2003. Paper and paperboard production was down by 2.5% in 2000, down 6.1% in 2001, down .1% in 2002 and is projected to increase 1.4% in 2003. However the caution comes from the war situation in Iraq and other uncertainties in the market. In the yearly outlook article in Pulp and Paper magazine analysts comment "now, statistical indicators have producers expecting and upturn as economics seemingly turn in their favor, prices begin a slight rebound and production of paper and paperboard begins to climb."

Standing pine pulpwood averages ranged between $16 to $25/cord ($6 - $9.75/ton) and hardwood ranged between $12-18 ($4.25 - $6.50/ton).

Other Comments

The uncertainty of war in Iraq remained a cloud over the markets and many feel that the US economy will not make a significant improvement until that situation is settled.

The US pulp and paper industry had higher production in November than in the previous year. After two and one half years of mill shutdowns, machine idling and production cutbacks, the US pulp and paper industry seemed to improve. In September, 2002, the US pulp and paper industry total production was 4.2 percent higher than a year earlier. US market pulp production was up 10.5 percent over last year and paperboard was up 5 percent. These figures give the industry cautious optimism for a better year in 2003.

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 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 1996. 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 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 TIMBER[1]

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	350-500	420	377-510	435	365-450	411	330-444	386
Chip-n-saw pine	80-93	77	67-88	79	70-107	86	-	-
Poles (pine)	-	600*	-	-	500-600	555	-	-
Mixed hardwood sawtimber[2]	120-210	172	170-280	209	150-200	170	130-182	144
Oak sawtimber	255-370	321	278-330	340	260-310	275	310-383	335
Soft hardwood sawtimber[3]	-	-	-	-	-	-	-	-
Rare hardwood sawtimber[4]	-	-	-	-	-	-	-	-
Pine pulpwood	15-30	18	17-29	25	12-28	21.25	11-20	16
Hardwood pulpwood	14-24	17	11-22	18	10-23	14.75	8-15	12

DELIVERED PRICES[5]

	North		Central		South		Delta and River	
	Low-High	Average	Low-High	Average	Low-High	Average	Low-High	Average
Pine sawtimber	445-485	460	460-490	470	435-495	465	-	-
Chip-n-saw pine	-	-	85-104	99	80-111	99	-	-
Poles (pine)	-	-	-	-	-	-	-	-
Mixed hardwood sawtimber[2]	240-282	262	235-289	278	230-265	245	235-287	249
Oak sawtimber	350-405	385	380-425	392	350-425	375	370-445	435
Other hardwood sawtimber	-	-	-	-	-	-	-	-
Pine pulpwood	27-52	45	30-51	42	32-58	46	27-44	38
Hardwood pulpwood	26-55	30	20-50	32	25-45	32	25-35	31

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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