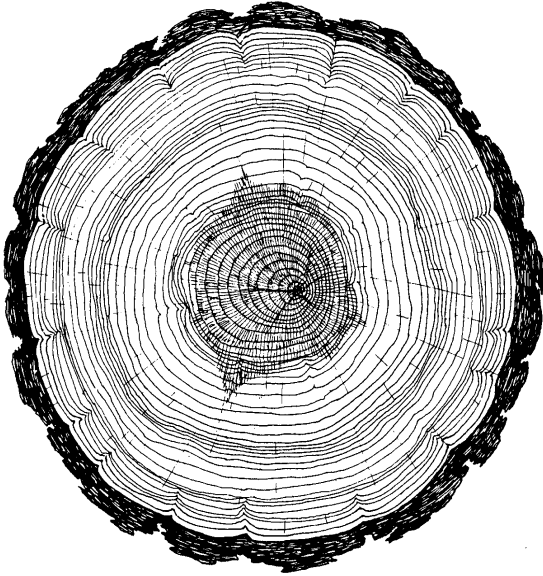


# TEXAS TIMBER PRICE TRENDS



**BIMONTHLY MARKET REPORT**

**VOL. 25 NO. 1**

**January/February 2007**

**T E X A S**  
**FOREST**  **SERVICE**  
The Texas A&M University System

# TEXAS TIMBER PRICE TRENDS

## WHAT IS THE PURPOSE OF THIS REPORT?

*Texas Timber Price Trends* is a bi-monthly publication reporting average prices paid for standing timber, commonly called the “stumpage price,” for the two months listed in the report. Its purpose is to provide timely information concerning timber market conditions in order to improve decision making and foster fair transactions that benefit both buyer and seller and encourage conservation of the timber resource. Market information is particularly important to family forest landowners who are only infrequent participants in this complex market.

## WHERE DOES THE DATA COME FROM?

Average stumpage prices published in this report are calculated from actual timber sales as reported by as many as 60 cooperators active in the East Texas timber market. Reporters include forest product companies, logging contractors, consulting foresters, family forest landowners, financial institutions, and federal agencies. Research has shown that a diversity of reporters tends to reduce bias and improve the reliability of the price estimates.

## HOW ARE AVERAGE PRICES CALCULATED?

The calculation of average prices weighs each sale by the volume sold which provides a more consistent and meaningful average. The result is that the average price reported is the average price paid per unit of volume, NOT per the average timber sale.

The price per ton for each product category is calculated from the price per ton as reported or using a specific conversion factor for each sale provided by the reporters. When a specific conversion factor for each sale is not available, an average conversion factor listed on page 8 is used instead. Readers should note that volume to weight conversions vary depending on the average diameter of the logs in the sale.

## HOW CAN I USE THIS REPORT?

*This report is intended to serve only as a guide to general price levels.* Individuals interested in selling timber can use this report to monitor market trends and get a general idea of what their timber is worth. However, it should not be used to judge the fair market value of a specific timber sale. The price paid for a specific stand of timber will vary considerably due to such factors as: size, species, and quality of timber; total volume and volume per acre; logging conditions; distance to the mill; end product of manufacture; and current demand and local competition for timber. Additionally, timber markets often change rapidly and therefore past prices are not necessarily a reflection of current market prices. We strongly recommend the use of a competitive bidding process as the ultimate determinant of market price for any specific tract of timber.

## COMMENTS

Stumpage price for pine sawtimber for the January/February 2007 reporting period continued its upward trend. Statewide reported price was \$48.54/ton (\$371.91/MBF), an increase of 14 percent over that reported in November/December 2006 and 23 percent higher than reported in September/October 2006. Average price was \$11.61/ton (31%) higher than reported prices the same period a year ago. Most all reports were for sales occurring in Northeast Texas (27 of 31). Pine sawtimber sold for significantly less in Northeast Texas than in Southeast Texas; however, only four sales were reported for Southeast Texas. Stumpage price averaged \$46.53/ton (\$367.28/MBF) in Northeast Texas and \$58.11/ton (\$390.68/MBF) in Southeast Texas.

Thirty-eight sales were reported for pine pulpwood. Average stumpage price for pine pulpwood across East Texas averaged \$11.04/ton (\$29.65/MBF). This is an increase of more than 26 percent over the last period. In addition, pine pulpwood prices have increased every reporting period since July/August of 2006. The price this period is 65 percent greater than the \$6.69/ton reported in July/August of last summer. Although two-thirds of sales occurred in Northeast Texas, more than 90 percent of the volume reported sold was for Northeast Texas. Pine pulpwood in Northeast Texas sold for almost double that for Southeast Texas—\$11.52/ton and \$6.20/ton, respectively.

Hardwood sawtimber stumpage sold for an average of \$10.98/ton (\$101.10/MBF) in January/February, a drop of \$3.26 (23%) from November/December 2006. This was the second consecutive period that hardwood sawtimber price declined. Last year at this time, stumpage price averaged \$14.09/ton (\$121.17/MBF). Little difference occurred between prices in the two regions—\$10.96/ton for Northeast Texas and \$11.50/ton for Southeast Texas.

Stumpage price averaged \$9.75/ton (\$27.19/MBF) for hardwood pulpwood across the state. This was up significantly from the \$6.45/ton reported the previous period and the \$3.49/ton reported last year. Only seven sales were reported for hardwood pulpwood.

Five-year averages of timber prices reported to the State Comptrollers Office for property tax purposes are: large pine sawtimber—\$37.69/ton; small pine sawtimber—\$17.39/ton; pine pulpwood—\$6.04/ton; hardwood sawtimber—\$17.27/ton; and hardwood pulpwood—\$5.44/ton.

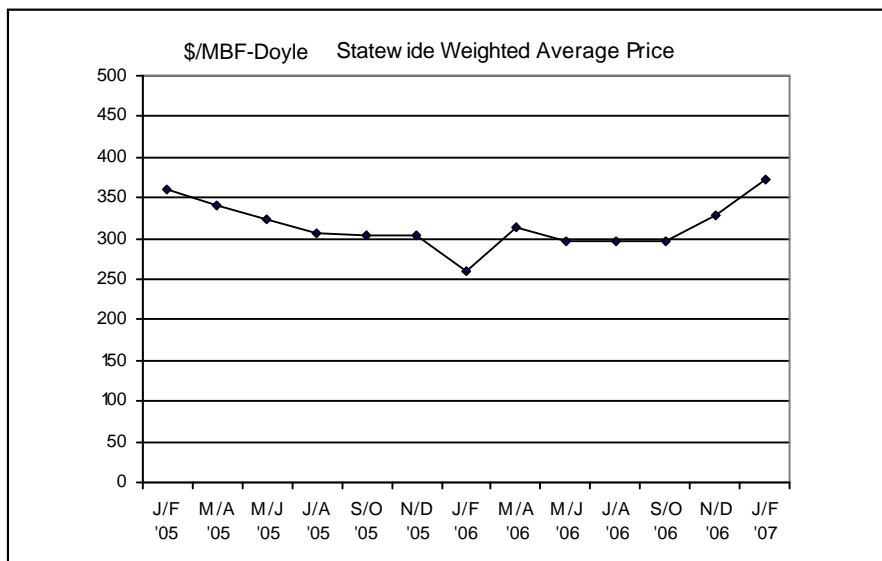
# TEXAS TIMBER PRICES FOR 2006 PROPERTY TAX APPRAISAL

	2002	2003	2004	2005	2006
Large Pine Sawtimber	39.23	\$ 36.21	\$ 34.77	\$ 38.93	\$ 39.33
Small Pine Sawtimber	\$ 17.92	\$ 16.81	\$ 18.04	\$ 17.94	\$ 16.25
Pine Pulpwood	\$ 4.65	\$ 5.89	\$ 6.99	\$ 6.47	\$ 6.19
Hardwood Sawtimber	\$ 16.10	\$ 16.49	\$ 19.77	\$ 18.46	\$ 15.52
Hardwood Pulpwood	\$ 4.83	\$ 5.30	\$ 5.87	\$ 7.08	\$ 4.14

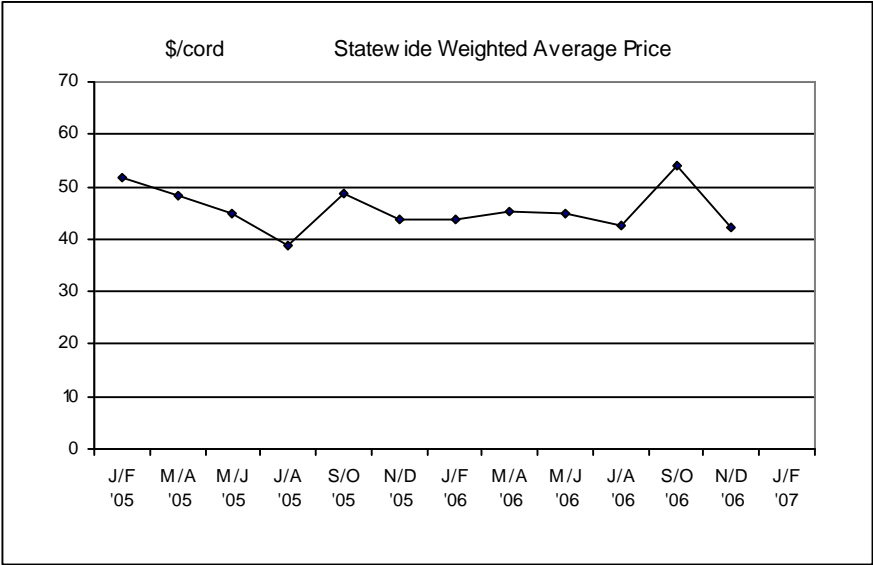
Starting from January 1, 2004, the new legislation (Senate Bill 1646 of 2003) requires stumpage prices to be in tons in the tax appraisal formula. Also, statewide average stumpage prices (vs. northeast and southeast) will also be required for the tax appraisal. Another important new change from this law is that small pine sawtimber (chip-n-saw) is recognized as a timber product.

Data Source: Texas Forest Service, March 2007

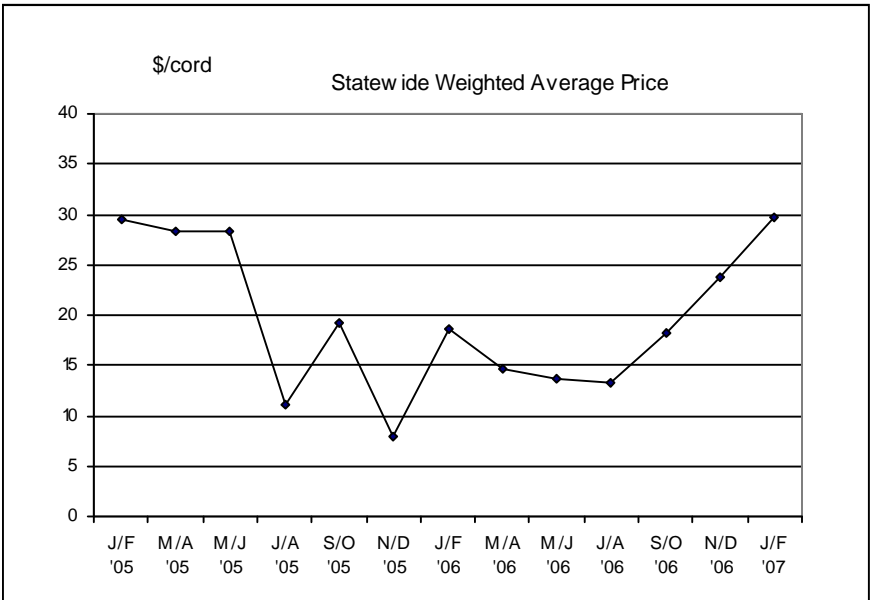
## PINE SAWTIMBER



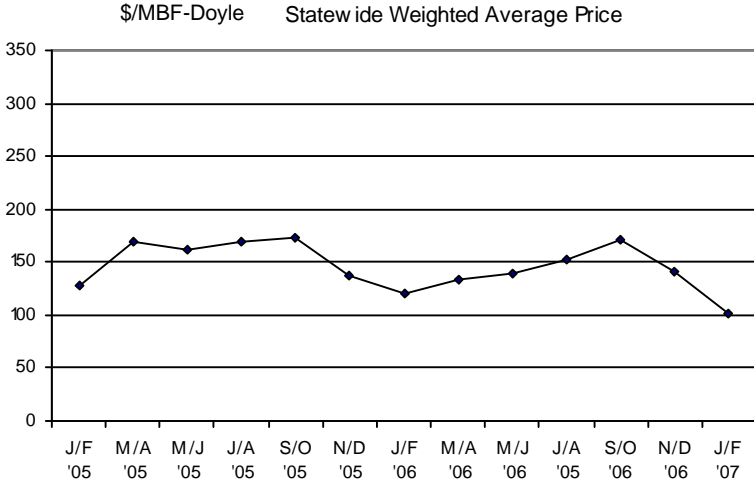
# PINE CHIP-N-SAW



# PINE PULPWOOD



# HARDWOOD SAWTIMBER



# HARDWOOD PULPWOOD

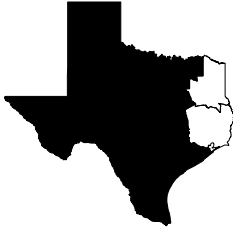


# TEXAS ANNUAL STATEWIDE AVERAGE STUMPAGE PRICES

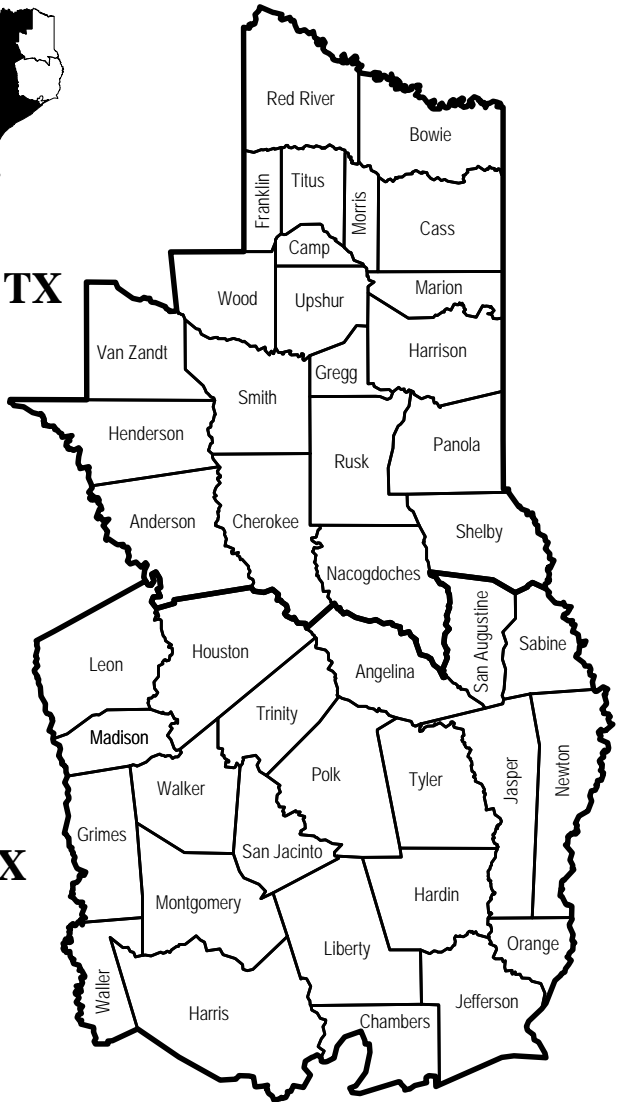
Year	Pine			Hardwood	
	Sawlog	Chip-N-Saw	Pulpwood	Sawlog	Pulpwood
	\$/MBF-Doyle	\$/Cord	\$/Cord	\$/MBF-Doyle	\$/Cord
1984	170.53	30.85	23.48	54.61	4.03
1985	129.87	28.35	18.46	54.79	5.13
1986	127.45	23.68	14.53	46.16	4.18
1987	142.59	22.53	15.28	55.46	6.78
1988	152.31	24.88	16.33	64.93	6.59
1989	156.32	26.25	18.45	69.48	9.27
1990	163.34	30.12	22.17	62.20	6.03
1991	189.33	29.71	22.59	53.83	9.09
1992	252.26	39.39	27.98	67.04	10.10
1993	283.80	39.46	26.89	80.67	12.76
1994	358.03	47.81	22.75	93.77	15.57
1995	438.36	62.96	27.26	105.17	28.65
1996	395.46	59.18	25.25	88.28	10.78
1997	441.75	73.39	28.61	132.20	25.20
1998	414.51	76.40	37.01	138.75	14.41
1999	382.86	68.44	28.95	139.44	12.24
2000	376.57	57.69	19.20	120.88	7.97
2001	325.14	42.06	12.94	120.32	15.11
2002	334.86	41.92	12.33	156.97	15.67
2003	289.30	41.90	14.90	157.81	15.85
2004	392.30	59.55	23.23	189.73	16.90
2005	312.57	46.44	19.25	175.24	20.75
2006	299.07	43.72	17.22	144.98	13.22
2007.10	371.91	--	29.65	101.10	27.19

# Texas Timber Price Trends

## Market Regions



**Northeast TX**  
Region I



**Southeast TX**  
Region II



## VOLUME CONVERSION FACTORS

A specific conversion factor for each sale reported by the reporters is used for price calculations when available; otherwise, the following average conversion factors are used:

<b>Sawlogs</b>	MBF-International-1/4" $\times$ 0.74 = MBF-Doyle
	MBF-Scribner $\times$ 0.78 = MBF-Doyle
	MBF-USFS Scribner $\times$ 0.814 = MBF-Doyle
	Pine—8 Tons = 1 MBF-Doyle
	Hardwood—9 Tons = 1 MBF-Doyle
	Pine Chip-N-Saw—1 Cord = 2.68 tons
<b>Pulpwood</b>	Pine— 2.7 Tons = 1 Cord
	Hardwood—2.8 Tons = 1 Cord
	Pine—81 Cubic Feet = 1 Cord
	Hardwood—80 Cubic Feet = 1 Cord

## SUBSCRIPTION INFORMATION

*Texas Timber Price Trends* is a publication of the Texas Forest Service and is available at \$2 per copy from your local TFS office, or through an annual mail subscription of \$10 per year. To subscribe, please send your request and check or money order (payable to "Texas Forest Service") to:

Attn: Texas Timber Price Trends  
Texas Forest Service  
301 Tarrow Suite 364  
College Station, TX 77840-7896

This publication is also available *free of charge* on the Texas Forest Service website:

<http://tfswb.tamu.edu/sustainable/article.aspx?id=148>

## WANT TO BE A REPORTER?

If you are active in the East Texas timber market, please consider becoming a cooperating price reporter. You'll receive report forms bi-monthly with a self-return envelope. In addition, you'll receive a complimentary subscription to the report in exchange for your price information. To sign up, contact the Texas Forest Service at the above address.

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Prices in this table do not represent market price for a specific tract of timber. Market price for any specific tract of timber may vary considerably due to a variety of factors such as quality of timber, logging conditions, volume of timber, and distance to mills.

For timber prices used for timberland property taxation, please refer to page 3.

## STUMPAGE PRICE TRENDS IN TEXAS

January/February 2007

11-Apr-07

Volume 25, Number 1

Product/Region	Average Price		Average Price Last Period		Average Price Same Period One Year Ago		Sales Reported	Total Volume	
	<u>\$/Ton</u>	<u>\$/MBF</u>	<u>\$/Ton</u>	<u>\$/MBF</u>	<u>\$/Ton</u>	<u>\$/MBF</u>	<u>Number</u>	<u>Tons</u>	<u>MBF</u>
<b>PINE</b>									
<b>Sawlogs</b>	<u>\$/Ton</u>	<u>\$/MBF</u>	<u>\$/Ton</u>	<u>\$/MBF</u>	<u>\$/Ton</u>	<u>\$/MBF</u>	<u>Number</u>	<u>Tons</u>	<u>MBF</u>
Northeast TX	46.53	367.28	48.70	366.38	41.06	300.69	27	44,293	5,612
Southeast TX	58.11	390.68	41.48	319.71	33.71	231.55	4	9,299	1,383
Statewide	48.54	371.91	42.75	328.08	36.93	260.75	31	53,592	6,995
USFS	24.72	197.78	**	**	**	**	3	19,821	2,478
<b>Pulpwood</b>	<u>\$/Ton</u>	<u>\$/Cord</u>	<u>\$/Ton</u>	<u>\$/Cord</u>	<u>\$/Ton</u>	<u>\$/Cord</u>	<u>Number</u>	<u>Tons</u>	<u>Cords</u>
Northeast TX	11.52	30.96	9.72	26.16	8.66	23.10	24	187,521	69,797
Southeast TX	6.20	16.65	6.38	17.21	4.77	12.86	14	18,862	7,025
Statewide	11.04	29.65	8.73	23.53	6.91	18.52	38	206,384	76,822
USFS	2.60	7.03	**	**	**	**	3	6,117	2,265
<b>Chip-N-Saw</b>	<u>\$/Ton</u>	<u>\$/Cord</u>	<u>\$/Ton</u>	<u>\$/Cord</u>	<u>\$/Ton</u>	<u>\$/Cord</u>	<u>Number</u>	<u>Tons</u>	<u>Cords</u>
Northeast TX	**	**	**	**	**	**	**	**	**
Southeast TX	**	**	15.54	41.97	16.82	43.78	**	**	**
Statewide	**	**	15.58	42.07	16.82	43.79	**	**	**
<b>HARDWOOD</b>									
<b>Mixed Sawlogs</b>	<u>\$/Ton</u>	<u>\$/MBF</u>	<u>\$/Ton</u>	<u>\$/MBF</u>	<u>\$/Ton</u>	<u>\$/MBF</u>	<u>Number</u>	<u>Tons</u>	<u>MBF</u>
Northeast TX	10.96	101.15	14.27	136.53	14.15	121.70	9	15,851	1,717
Southeast TX	11.50	99.95	13.00	120.99	13.51	115.38	3	733	84
Statewide	10.98	101.10	14.24	136.11	14.09	121.17	12	16,584	1,801
USFS	**	**	**	**	**	**	**	**	**
<b>Pulpwood</b>	<u>\$/Ton</u>	<u>\$/Cord</u>	<u>\$/Ton</u>	<u>\$/Cord</u>	<u>\$/Ton</u>	<u>\$/Cord</u>	<u>Number</u>	<u>Tons</u>	<u>Cords</u>
Northeast TX	9.83	27.42	6.67	18.57	3.55	10.09	6	14,847	5,322
Southeast TX	**	**	0.88	2.40	2.14	5.35	**	**	**
Statewide	9.75	27.19	6.45	17.92	3.49	9.88	7	14,972	5,368
USFS	**	**	**	**	**	**	**	**	**

1. Stumpage price statistics include gatewood sales. Stumpage prices for gatewood sales are estimated by subtracting cut-and-haul costs, other expenses, and profits provided by reporter.

2. Price is calculated from a specific conversion factor reported for each sale if available; otherwise, the average conversion factors listed on page 8 are used. MBF = Thousand Board Feet. The DOYLE LOG SCALE is used for board foot measurements.

\* Statewide data excludes U.S. Forest Service sales.

\*\* Insufficient sales to report price statistics (less than three sales).