

TEXAS TIMBER PRICE TRENDS

Tough Time for Timber Market

One of our reporters sent a note saying that for the first time in his 25-year history of selling, he only received one bid when he attempted to sell timber on a tract recently. Several other reporters had similar comments in their reports. It is a tough time for the timber market. Continued weak housing markets nationwide have depressed demand for lumber, result in mills closures and curtailment. On the supply side, high fuel costs made profit margin from timber production even thinner.

Statewide pine sawlog price averaged \$23.25/ton. This was 20.1% off the last period and 41.8% off a year ago. In Northeast Texas, average pine sawlog price was \$32.46/ton, a 9.9% decrease from last period. Average pine sawlog price decreased 17.9% to \$21.85/ton in Southeast Texas in this period.

Pine pulpwood price averaged \$8.00/ton statewide, 23.7% off the last period and 17.6% off a year ago. Compared to Southeast, Northeast Texas had higher pine pulpwood prices.

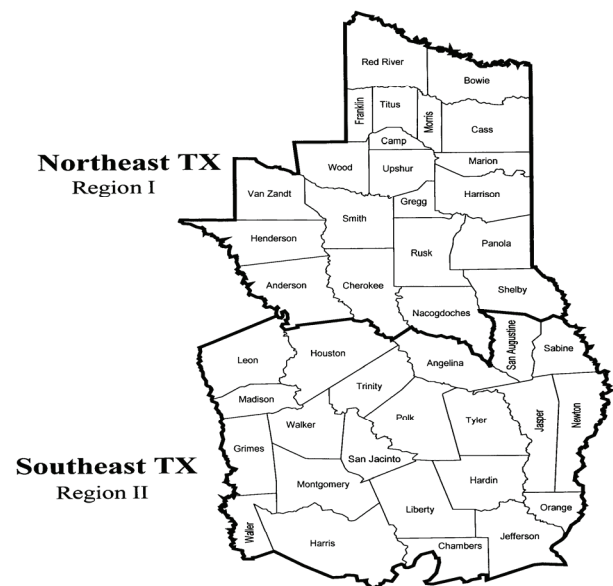
Small diameter pine sawlog (CNS) price averaged \$13.40/ton. This was 10.1% lower than last period and 24.0% lower than one year ago.

On the other hand, hardwood sawlog price increased 26.2% to \$24.29/ton during the May/June period. The difference between

pine and hardwood sawlog prices narrowed in the past year.

Statewide hardwood pulpwood prices averaged \$5.49/ton. Large inventories at papermills may have contributed to the decreased price.

**Texas Timber Price Trends
Market Regions**

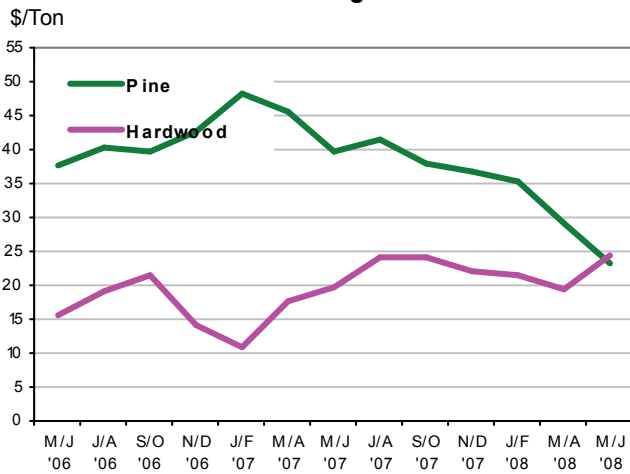


Stumpage Prices in Texas

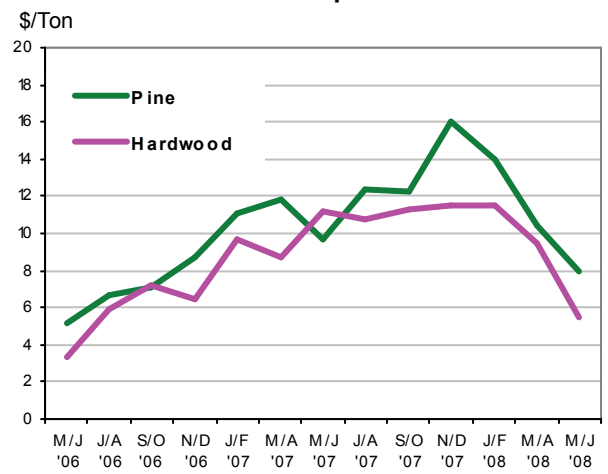
Product /Region	Average Price		Last Period			Year Ago			Report			
PINE												
Sawlogs	\$/ton	\$/MBF	\$/ton	\$/MBF	Chg		\$/ton	\$/MBF	Chg	#	tons	
Northeast TX	32.64	240.53	36.21	274.98	-9.9%	↓	39.92	306.78	-18.2%	↓	39	41,972
Southeast TX	21.85	167.93	26.61	211.37	-17.9%	↓	40.23	277.47	-45.7%	↓	47	283,315
Statewide	23.25	177.65	29.11	228.48	-20.1%	↓	39.94	305.21	-41.8%	↓	86	325,288
USFS	25.01	200.11	24.19	193.50	3.4%	↑	**	**	**		4	15,959
Pulpwood	\$/ton	\$/cord	\$/ton	\$/cord	Chg		\$/ton	\$/cord	Chg	#	tons	
Northeast TX	10.54	28.35	10.99	29.53	-4.1%	↓	10.72	28.86	-1.7%	↓	52	179,524
Southeast TX	6.69	18.06	10.18	27.48	-34.3%	↓	7.62	20.56	-12.2%	↓	31	345,269
Statewide	8.00	21.58	10.48	28.25	-23.7%	↓	9.71	26.17	-17.6%	↓	83	524,793
USFS	4.96	13.40	9.08	24.52	-45.4%	↓	**	**	**		4	20,037
Chip-N-Saw	\$/ton	\$/cord	\$/ton	\$/cord	Chg		\$/ton	\$/cord	Chg	#	tons	
Northeast TX	13.52	36.51	15.65	42.25	-13.6%	↓	18.15	49.00	-25.5%	↓	3	641
Southeast TX	13.40	36.19	14.88	40.18	-9.9%	↓	16.97	45.81	-21.0%	↓	10	97,855
Statewide	13.40	36.19	14.90	40.22	-10.1%	↓	17.62	47.58	-24.0%	↓	13	98,495
HARDWOOD												
Mixed Sawlogs	\$/ton	\$/MBF	\$/ton	\$/MBF	Chg		\$/ton	\$/MBF	Chg	#	tons	
Northeast TX	19.67	183.79	16.99	153.94	15.8%	↑	19.56	186.77	0.6%	↑	27	11,923
Southeast TX	27.01	238.14	27.83	241.04	-2.9%	↓	**	**	**		21	20,230
Statewide	24.29	218.71	19.25	172.76	26.2%	↑	19.56	186.77	24.2%	↑	48	32,153
USFS	**	**	**	**	**		**	**	**		**	**
Pulpwood	\$/ton	\$/cord	\$/ton	\$/cord	Chg		\$/ton	\$/cord	Chg	#	tons	
Northeast TX	8.59	24.36	9.69	27.19	-11.4%	↓	11.08	31.02	-22.5%	↓	17	16,144
Southeast TX	4.20	11.76	9.31	26.10	-54.9%	↓	**	**	**		10	38,900
Statewide	5.49	15.42	9.45	26.52	-41.9%	↓	11.08	31.02	-50.5%	↓	27	55,044
USFS	**	**	2.01	5.64	**		**	**	**		**	**

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 4 are used. MBF = Thousand Board Feet. The DOYLE LOG SCALE is used for board foot measurements.
3. Statewide data excludes U.S. Forest Service sales.
4. - indicates insufficient sales to report price statistics (less than three sales).
5. Prices listed for previous periods may differ from previously published values because additional data have been received.
6. Price change in percentage is calculated based on price in ton.
7. Extreme outliers from reported data are detected and filtered out based on statistical methods.
8. Price changes are calculated based on price in ton.

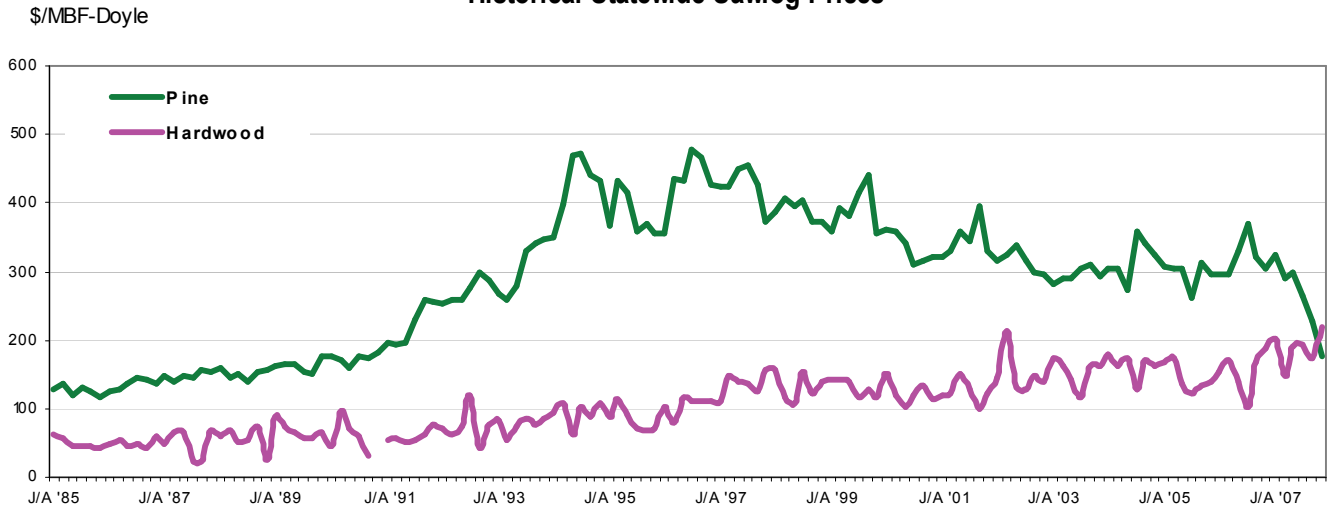
Sawlogs



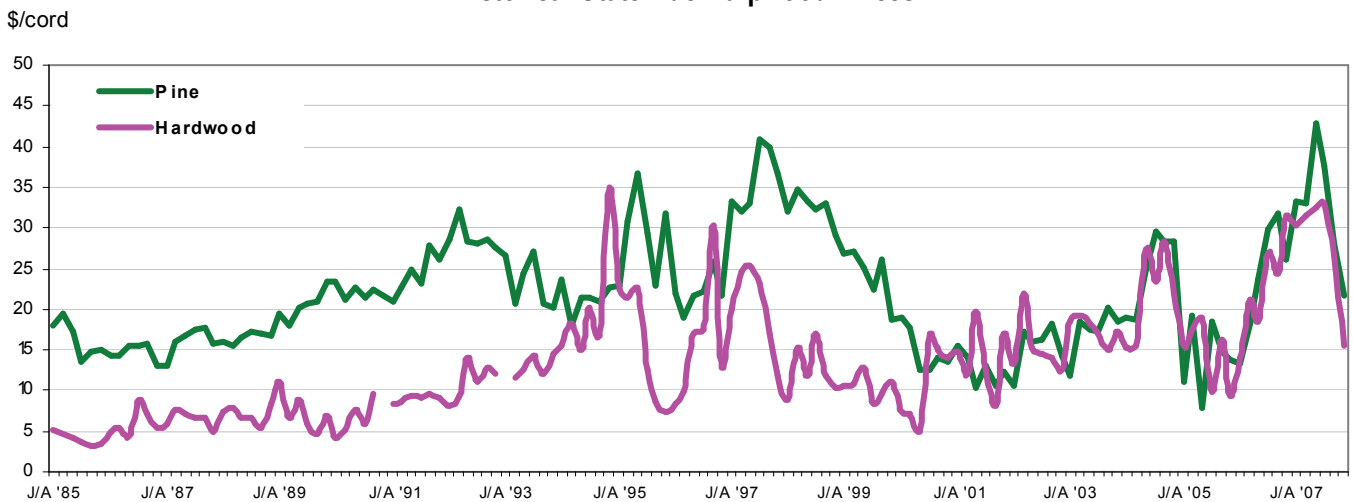
Pulpwood



Historical Statewide Sawlog Prices



Historical Statewide Pulpwood Prices



Note: A gap in the chart means less than 3 sales were reported and no price statistics were compiled.
 For chart data, please go to <http://texasforestservicetamu.edu/timberpricetrends>.



Texas Timber Price Trends is a bi-monthly publication reporting average prices paid for standing timber in Texas.

This report is intended only as a guide to general price levels. Individuals inter-

ested in buying and selling timber can use this report to monitor market trends and get a general idea of what timber is worth. However, it should not be used to judge the fair market value of a specific timber sale, which may vary considerably due to many factors.

HOW ARE AVERAGE PRICES CALCULATED?

Data published in this report are 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.

The prices are volume weighted average prices. The price per ton for each product category is as reported or using a specific conversion factor provided by the reporters. When a specific conversion factor for each sale is not available, an average conversion factor listed here is used instead.

VOLUME CONVERSION FACTORS

Sawlogs & Chip-N-Saw

Pine— 8 tons=1 MBF-Doyle

Pine CNS— 2.7 tons= 1 Cord

Hardwood— 9 tons= 1 MBF-Doyle

Pulpwood

Pine— 2.7 tons=1 Cord

Hardwood— 2.8 tons= 1 Cord

This publication is also available on the Texas Forest Service website at:

<http://texasforestservicetamu.edu/timberpricetrends>

WANT TO BE A REPORTER?

If you are active in the East Texas timber market, please consider becoming a cooperating price reporter. You will receive report forms bi-monthly with a self-return envelope. In addition, you will receive a hard copy of the report in exchange for your price information.

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