TEXAS TIMBER PRICE TRENDS

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Stumpage Prices Flat for Pine and Good for Hardwood

The average stumpage price for pine sawlogs in East Texas was $39.34/ton ($291.24/MBF) for the Nov./Dec. period, which was almost unchanged from the previous two-month period. The seasonal price appreciation that often occurs during the winter time due to wet weather was not realized for the last two months of 2003. Mills in northeast Texas seemed to have plenty of inventory on hand as one large mill “did not purchase any stumpage on the (open) market” and filled all its wood needs by deliveries to its gate. In southeast Texas, one mill manager reported that “weekend rain, rather than mid-week rain” contributed to sufficient supply of wood on the market.

Compared to the same period last year, average pine sawlog stumpage price declined by 16%. A year ago, pine sawlog stumpage price averaged $45.67/ton ($338.36/MBF).

Stumpage price for pine pulpwood in East Texas for the Nov./Dec. period averaged $6.55/ton ($17.60/cord). This is a slight decline from $6.90/ton ($18.54/cord) in the previous two-month period and up from $4.45/ton ($11.94/cord) in the soft summer market. The Abitibi (Lufkin) mill closure (effective Dec. 14, 2003) has “put downward pressure on pine pulpwood prices”, commented one reporter. Mill inventories were high and delivered prices fell.

Average pine Chip-N-Saw stumpage price was $19.02/ton ($50.95/cord) during the Nov./Dec. period, up 36% from last period.

Mixed hardwood sawtimber stumpage price were 18% lower than the highest price in 2003 ($18.3/ton or $162.6/MBF in Sept./Oct.). However, it remained at a healthy level of $15.5/ton ($143/MBF) statewide.

Hardwood pulpwood stumpage price for the Nov./Dec. period moved moderately lower compared to the Sept./Oct. period. Statewide average stumpage price for this product was $6.42/ton ($18.21/cord), compared to $6.89/ton ($19.33/cord) in the Sept./Oct. period.

Timberland Property Tax Appraisal  Beginning in January, 2004, the capitalization rate that goes into the tax appraisal for timberland will be determined in a new way specified in Senate Bill 1646 of 2003. The rate for the 2004 appraisal will be 6.4%, the same as last year. Without this bill, it would have been 6.19%.
The 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 variation in tract size, timber quality, species, total volume and volume per acre, logging conditions, distance to the mill, utilization, current demand and local competition for timber, and rapidly changing timber market.

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

### STUMPAGE PRICE TRENDS IN TEXAS

**November/December 2003**

<table>
<thead>
<tr>
<th>Product/Region</th>
<th>Average Price</th>
<th>Average Price Last Period</th>
<th>Average Price Same Period A Year Ago</th>
<th># of Sales Reported</th>
<th>Total Volume</th>
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<tbody>
<tr>
<td><strong>PINE</strong></td>
<td></td>
<td></td>
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<tr>
<td>Sawlogs</td>
<td>$/Ton $/MBF</td>
<td>$/Ton $/MBF</td>
<td>$/Ton $/MBF</td>
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<tr>
<td>Northeast TX</td>
<td>44.71 311.88</td>
<td>39.07 286.71</td>
<td>45.47 345.64</td>
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<td>35.67 275.62</td>
<td>41.20 300.72</td>
<td>45.96 328.42</td>
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<td>Statewide*</td>
<td>39.34 291.24</td>
<td>39.15 289.21</td>
<td>45.67 338.36</td>
<td>219</td>
<td>35,346 261,652</td>
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<tr>
<td>USFS</td>
<td>** $/MBF</td>
<td>** $/MBF</td>
<td>** $/MBF</td>
<td>** $/MBF</td>
<td>** $/MBF</td>
</tr>
<tr>
<td><strong>Pulpwood</strong></td>
<td>$/Ton $/Cord</td>
<td>$/Ton $/Cord</td>
<td>$/Ton $/Cord</td>
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<td></td>
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<tr>
<td>Northeast TX</td>
<td>8.30 22.15</td>
<td>7.62 20.52</td>
<td>7.21 18.19</td>
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<td>47,735 127,373</td>
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<td>5.10 13.77</td>
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<td>Statewide*</td>
<td>6.55 17.60</td>
<td>6.90 18.54</td>
<td>6.30 16.03</td>
<td>121</td>
<td>104,324 280,156</td>
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<tr>
<td><strong>Chip-N-Saw</strong></td>
<td>$/Ton $/Cord</td>
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<td>$/Ton $/Cord</td>
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<tr>
<td>Northeast TX</td>
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<td>Statewide*</td>
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<td>13.97 36.36</td>
<td>19.76 49.96</td>
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<td>18,457 49,448</td>
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<td><strong>HARDWOOD</strong></td>
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<tr>
<td>Sawlogs</td>
<td>$/Ton $/MBF</td>
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<td>$/Ton $/MBF</td>
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<tr>
<td>Northeast TX</td>
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<td>17.05 150.84</td>
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<td>19.77 177.13</td>
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<td>11,884 1,320</td>
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<tr>
<td>Statewide*</td>
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<td>18.27 162.55</td>
<td>15.25 129.56</td>
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<td>30,310 3,288</td>
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<tr>
<td><strong>Pulpwood</strong></td>
<td>$/Ton $/Cord</td>
<td>$/Ton $/Cord</td>
<td>$/Ton $/Cord</td>
<td></td>
<td></td>
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<tr>
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<tr>
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<td>6.42 18.21</td>
<td>6.89 19.33</td>
<td>5.38 15.30</td>
<td>26</td>
<td>44,502 15,698</td>
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<tr>
<td>USFS</td>
<td>** **</td>
<td>** **</td>
<td>** **</td>
<td>1</td>
<td>** **</td>
</tr>
</tbody>
</table>

1. Stumpage price statistics included gatewood sales. Stumpage prices from the gatewood sales were estimated by subtracting cut and haul costs, other expenses and profits if any provided by the reporters.
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   * Statewide data excludes U.S. Forest Service sales.
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Data Source: Texas Forest Service, February 2003

COMMENTS

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