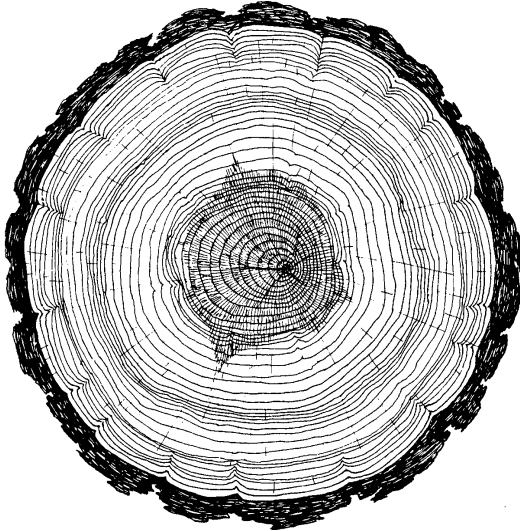


\$2.00

TEXAS TIMBER PRICE TRENDS



BIMONTHLY MARKET REPORT

VOL. 18 NO. 1

January/February 2000

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

TEXAS TIMBER PRICE TRENDS

How to Use This Report

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 nonindustrial private 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 over 60 cooperators active in the East Texas timber market. Reporters include consulting foresters, large nonindustrial landowners, financial institutions, forest products companies, and state 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 weights each sale by the volume sold. This is done to filter out the effect that the size of the sale has on the price paid, thus providing 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 volume unit using the conversion factors listed on page 14 of the report. Readers should note that volume to weight conversions vary depending on the average diameter of the logs in the sale. Because we don't have information on average diameters for each sale reported, the per ton prices presented are based on an average conversion factor and not information from the specific sales reports.

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 competitive bidding process as the ultimate determinant of market price for any specific tract of timber.

COMMENTS

All Price Fell with the Exception of Pine Sawlog

Extended dry weather caused greater supplies and lower prices for all markets with the exception of pine sawlog. Hardwood sawlog and pine chip-n-saw markets were poor. Pine pulpwood market is very depressed and hardwood pulpwood price was extremely low.

The pine sawlog market has been and continues to be influenced by the still relatively robust housing market and higher personal income from the continued strong economy. The higher interest rate does not seem to weaken housing demand. In addition, dry weather may have a positive effect on the homebuilding and repair-n-remodeling activities.

Pine pulpwood price dropped to a historically low price, continuing the downward trend. Hardwood pulpwood market was extremely depressed.

Persistent dry weather may cause severe wildfire in timber producing regions. If that occurs, markets would experience lower price for all timber categories influenced by more supplies from salvage timber.

The general trend of the timber market in January/February period showed strong demand for pine sawlog and supply surplus for chip-n-saw, hardwood sawlog and pulpwood.

Pine Sawtimber Price

Many price reporters indicated their guesstimate for pine sawtimber price to be within \$350-375 range. A few reporters guesstimated \$375-400 and \$325-350 range, respectively. The results from our calculation turns out to be on the high side: \$415.40/MBF (volume-weighted) and 384.20/MBF (unweighted), a surprise for those expecting a weak market and much lower price. Southeastern regions, however, did fall in the \$375-400 range, with the price for this period being 388.84/MBF (volume-weighted) and \$375.01 (unweighted), respectively. Overall statewide this period pine sawlog price increased by 8.6% from the Nov/Dec period, which was \$382.26/MBF per volume-weighted average price.

Pine Pulpwood Price

Volume-weighted statewide average price for this period was \$22.74/cord (or \$8.86/ton), down from \$25.03/cord of the previous two-month reporting period.

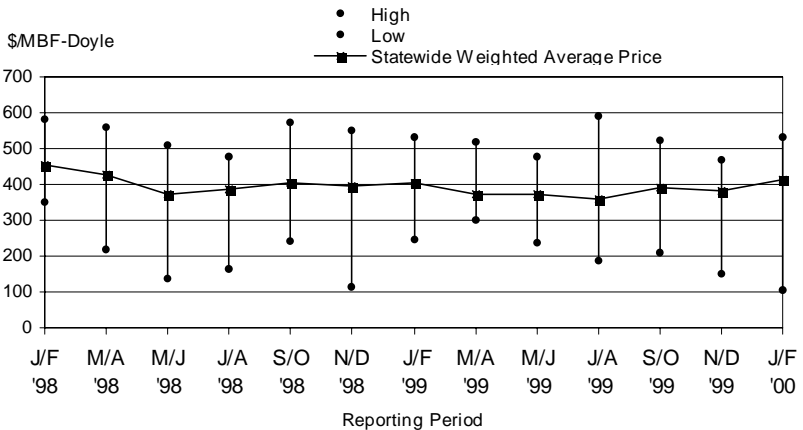
Hardwood Sawlog Price

Hardwood sawlog price dipped to \$117.25/MBF in this period (statewide volume-weighted), a 16.3% drop from last period, which was \$140.09/MBF.

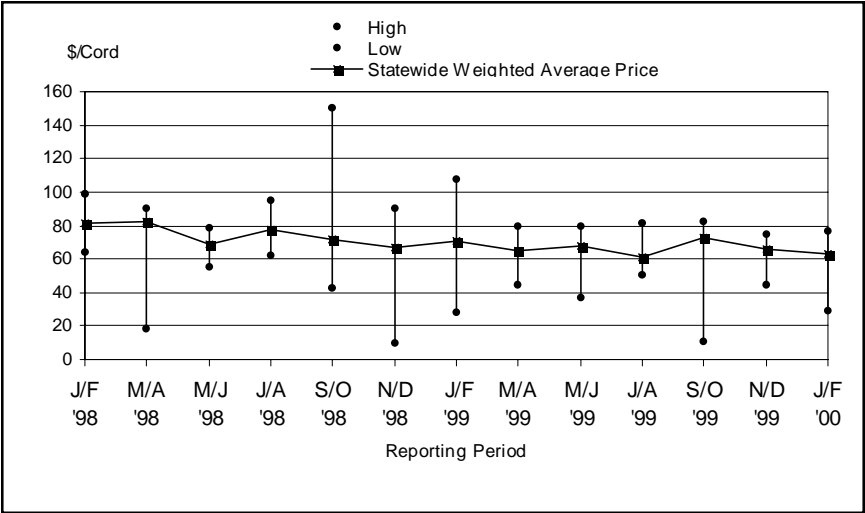
Hardwood Pulpwood Price

Hardwood pulpwood statewide volume-weighted average price dropped substantially to only \$8.26/cord, down from \$12.76/cord in the Nov/Dec. period.

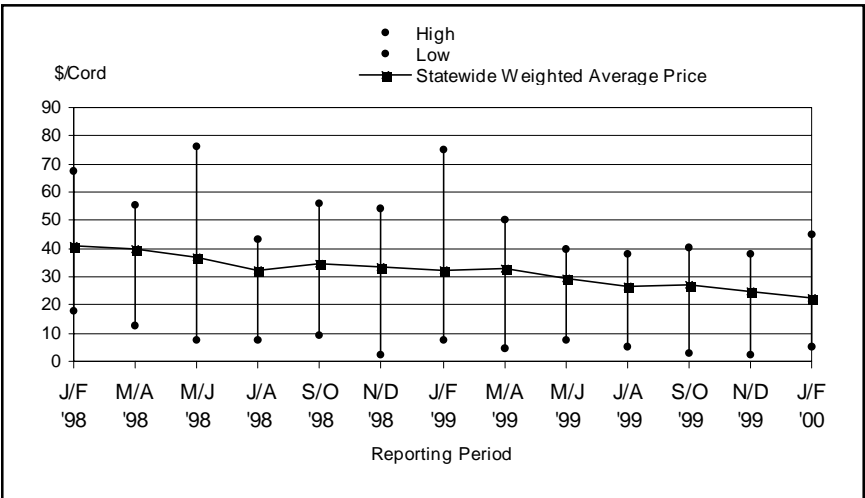
PINE SAWTIMBER & VENEER



PINE CHIP-N-SAW



PINE PULPWOOD



TIMBER PRICE TRENDS IN TEXAS

January/February 2000

28-Mar-00
Volume 18, No. 1

Product/Region	High		Low		Unweighted Average		Weighted Average(WA)		WA Last Period		WA 1 Year Ago		# of Sale Reported	Total Volume
	\$/MBF	\$/Cord	\$/MBF	\$/Cord	\$/MBF	\$/Ton	\$/MBF	\$/Ton	\$/MBF	\$/Cord	\$/MBF	\$/Cord		
PINE														
Sawlogs & Veneer														
Northeast TX	531.04	103.73	393.39	49.17	436.97	54.62	409.87	417.85	41	17,262	MBF			
Southeast TX	476.05	327.76	375.01	46.88	388.84	48.61	372.10	392.98	40	14,020	MBF			
Statewide*	531.04	103.73	384.20	48.02	415.40	51.93	382.26	404.66	81	31,282	MBF			
USFS	**	**	**	**	**	**	**	403.28	**	**	**			
Pulpwood														
Northeast TX	32.40	5.00	20.80	8.32	22.13	8.85	25.12	33.12	38	14,536	Cords			
Southeast TX	44.93	9.19	24.37	9.28	23.33	8.89	24.98	31.60	29	5,620	Cords			
Statewide*	44.93	5.00	22.59	8.80	22.47	8.86	25.03	32.23	67	20,156	Cords			
USFS	**	**	**	**	**	**	**	20.64	**	**	**			
Chip-N-Saw														
Northeast TX	65.55	28.88	55.49	21.14	59.11	22.52	70.77	63.08	12	2,515	Cords			
Southeast TX	76.67	57.58	66.93	25.50	66.37	25.28	64.99	70.77	19	2,821	Cords			
Statewide*	76.67	28.88	61.21	23.32	62.95	23.98	66.02	70.01	31	5,336	Cords			
USFS	**	**	**	**	**	**	**	**	**	**	**			
HARDWOOD														
Sawlogs & Veneer														
Northeast TX	225.00	70.00	128.24	14.25	114.09	12.68	145.24	111.84	11	507	MBF			
Southeast TX	142.54	28.51	104.92	11.66	126.27	14.03	126.10	153.53	8	177	MBF			
Statewide*	225.00	28.51	116.58	12.95	117.25	13.03	140.09	152.76	19	685	MBF			
USFS	**	**	**	**	**	**	**	**	**	**	**			
Pulpwood														
Northeast TX	13.50	1.40	6.58	2.35	5.76	2.06	11.73	15.92	16	3,024	Cords			
Southeast TX	17.50	3.00	9.61	3.43	11.89	4.25	14.07	16.91	14	2,084	Cords			
Statewide*	17.50	1.40	8.09	2.89	8.26	2.95	12.76	16.88	30	5,108	Cords			
USFS	**	**	**	**	**	**	**	**	**	**	**			

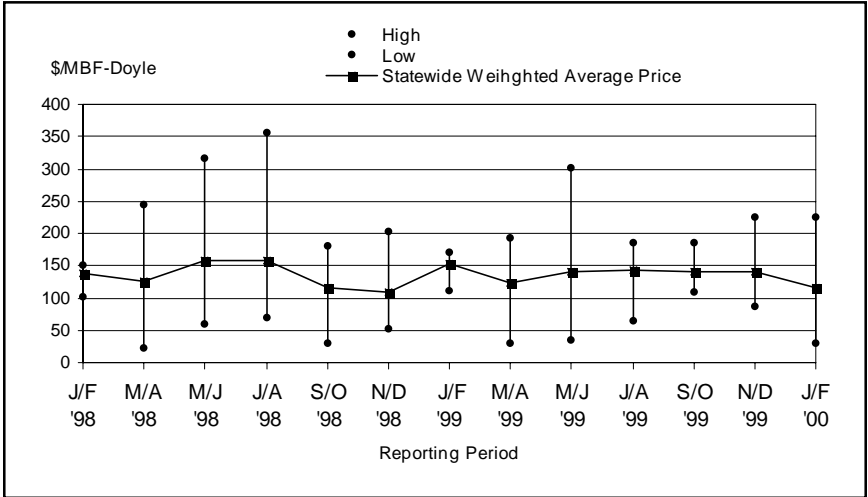
Price per ton is calculated from the average price per MBF or cord based on conversion factors listed under VOLUME CONVERSION FACTORS on page 8.

MBF=Thousand Board Feet. The DOYLE LOG SCALE is used for all board foot measurements.

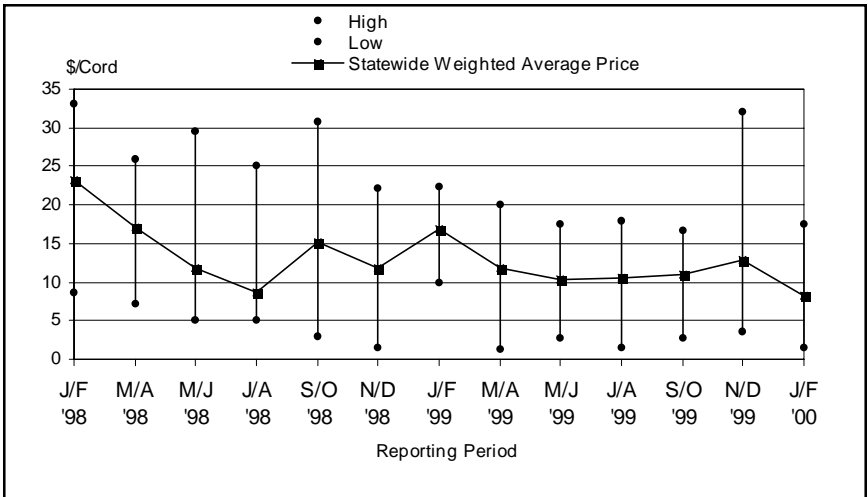
*Statewide data excludes U.S. Forest Service sales.

**Insufficient sale activity to report price statistics (less than three reported sales).

HARDWOOD SAWTIMBER & VENEER



HARDWOOD PULPWOOD

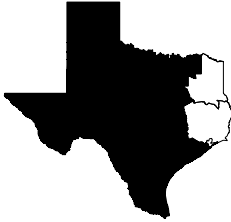


TEXAS ANNUAL STATEWIDE AVERAGE STUMPAGE PRICES

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
2000.1	415.40	62.95	22.47	117.25	8.26

Texas Timber Price Trends

Market Regions



Northeast TX
Region I



Southeast TX
Region II

VOLUME CONVERSION FACTORS

Sawlogs - Veneer Logs

MBF-International-1/4" X 0.74 = MBF-Doyle
MBF-Scribner X 0.78 = MBF-Doyle
MBF-USFS Scribner X 0.814 = MBF-Doyle
Pine - 8 Tons = 1 MBF-Doyle
Hardwood - 9 Tons = 1 MBF-Doyle
2.37 Pine Cunits = 1 MBF-Doyle
1 Cunit = 100 Cu.Ft.

Pulpwood

Pine, Northeast TX - 2.5 Tons = 1 Cord
Pine, Southeast TX - 2.625 Tons = 1 Cord
Hardwood - 2.8 Tons = 1 Cord
Pine - 81 Cu.Ft. = 1 Cord
Hardwood - 80 Cu.Ft. = 1 Cord

SUBSCRIPTION INFORMATION

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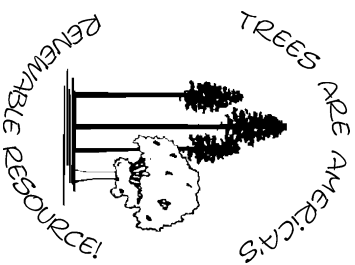
For more information, call (409)458-6650.

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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