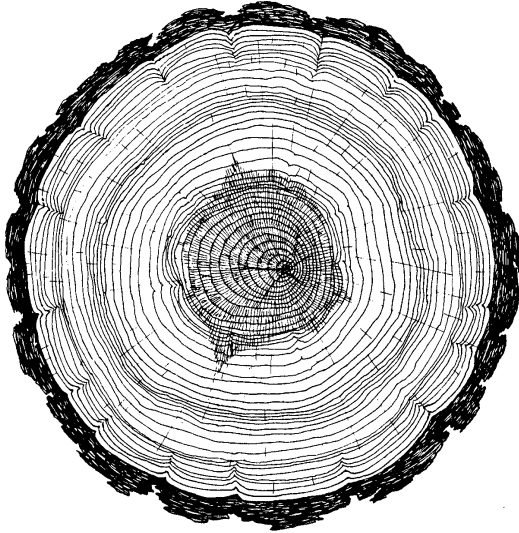


\$2.00

TEXAS TIMBER PRICE TRENDS



BIMONTHLY MARKET REPORT

VOL. 19 NO. 1

January/February 2001

T E X A S
FOREST  **SERVICE**
Sustaining the American Dream

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

Pine and hardwood prices went to different direction in this reporting period. The slowing economy and weak lumber prices continue to press down pine sawlog prices. The salvage sales in Northeast Texas pushed pulpwood prices to near collapse. Continuing wet weather reduced hardwood supply and helped the rebound of hardwood prices.

Average Prices for Pine Products

Statewide volume-weighted average price for pine sawlogs was \$310.36/mbf (or \$38.79/ton), the lowest price since the end of 1993. Statewide volume-weighted average price for pine pulpwood was \$12.57/cord, all most the same as the last reporting period, the lowest in the last 16 years since this price report started. Average weighted price in Northeast for pine chip-n-saw was \$37.45/cord (or \$14.27/ton, a 20% drop from the last period and the lowest price since the end of 1991.

Average Prices for Hardwood Products

The price for hardwood sawlogs was \$119.27/mbf (or \$13.25/ton), a 16.6% increase from the last reporting period, thanks to the wet weather that reduced wood supply. The average price for hardwood pulpwood rebounded sharply due to the same reason. The statewide weighted-average price in this reporting period was \$16.96/cord, compared to \$5.22/cord in the last period.

Interpreting Prices in This Report

Price movement covered in this report can be a good reference for market trend in general. However, due to the fact that this report only cover a relatively small portion of the overall timber market in East Texas, the prices reported tend to be on the high side. This may be because our reporting sources were mainly from stumpage sales/purchase by industry or with help from professional consultants. The stumpage prices associated with delivered wood by independent loggers were largely unavailable and therefore are not well-represented in this report. Delivered wood can be a large part of the overall market for many local area. The overall market price, taking into account of delivered wood, could be somewhat lower than prices reported here.

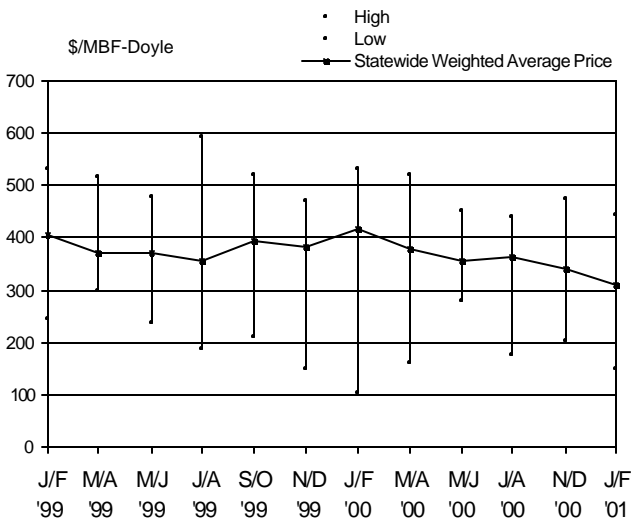
Ice Storm Recovery Webpage

The Texas Forest Service has set up a webpage providing information on how to deal with ice storm damaged timberland. It's available under <http://txforests-service.tamu.edu> and under "Landowner Assistance" category. The information addresses a variety of problems: assessing damage, how to know what kind of trees can still be saved, conducting salvage sale, considering replanting, pest management, and tax treatment of casualty losses.

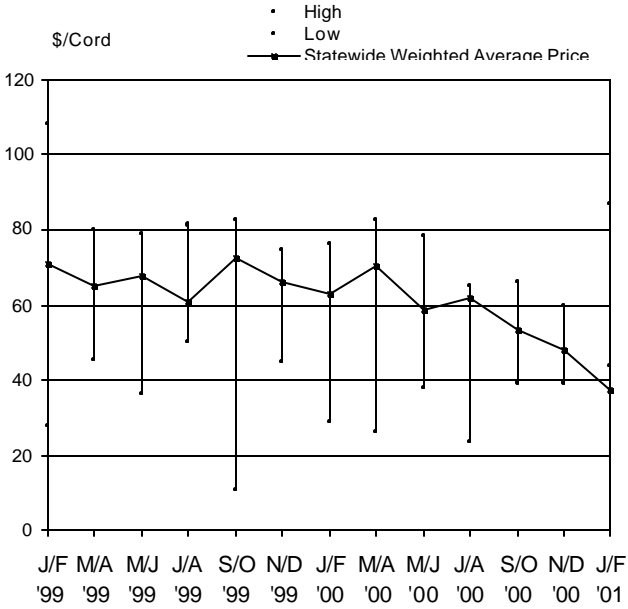
Timberland Property Tax

If you reforested your land this year, don't forget to apply for reduced property tax incentive to your local appraisal office if you have not done so. The deadline is April 30 in general. Similar incentive is available to special forest zones in your timberland. See more info at Texas Forest Service webpage at <http://txforests-service.tamu.edu> and under "Landowner Assistance" .

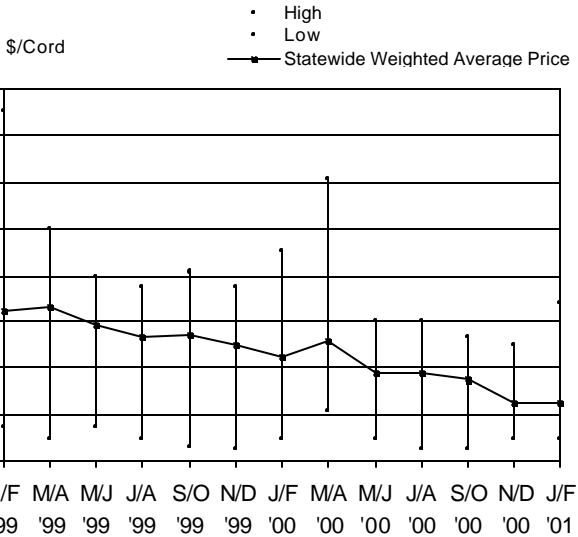
PINE SAWTIMBER & VENEER



PINE CHIP-N-SAW



PINE PULPWOOD



TIMBER PRICE TRENDS IN TEXAS

January/February 2001

28-Mar-01
Volume 19, No. 1

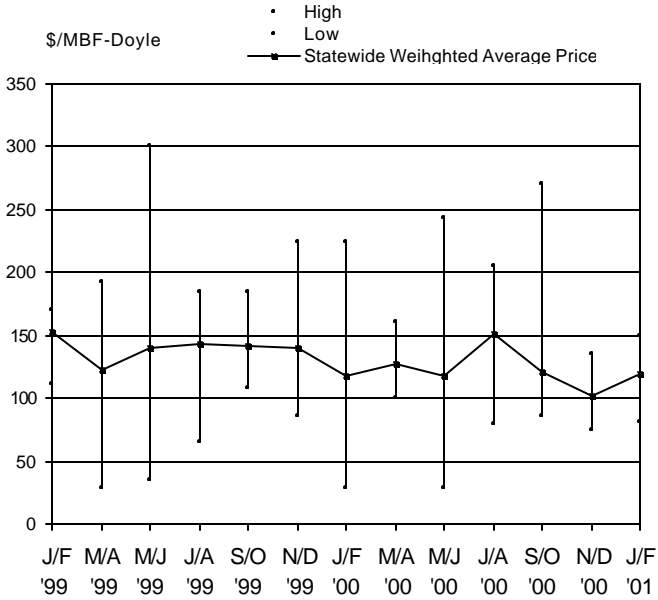
Product/Region	High	Low	Unweighted Average		Weighted Average(WA)		WA Last Period	WA 1 Year Ago	# of Sale Reported	Total Volume
			\$/MBF	\$/Ton	\$/MBF	\$/Ton				
PINE										
Sawlogs & Veneer										
Northeast TX	\$/MBF 445.00	\$/MBF 150.00	\$/MBF 298.50	\$/Ton 37.31	\$/MBF 318.02	\$/Ton 39.75	\$/MBF 362.03	\$/MBF 436.97	26	MBF 7,583
Southeast TX	342.71	283.61	306.43	38.30	302.24	37.78	328.39	388.84	26	7,153
Statewide*	445.00	150.00	302.46	37.81	310.36	38.79	340.63	415.40	52	14,736
USFS	**	**	**	**	**	**	**	**	**	**
Pulpwood										
Northeast TX	\$/Cord 18.07	\$/Cord 4.99	\$/Cord 13.04	\$/Ton 5.22	\$/Cord 11.77	\$/Ton 4.71	\$/Cord 10.73	\$/Cord 22.13	21	Cords 8,074
Southeast TX	34.13	9.00	14.70	5.60	14.80	5.64	15.09	23.33	23	2,892
Statewide*	34.13	4.99	13.87	5.41	12.57	4.96	12.48	22.47	44	10,965
USFS	**	**	**	**	**	**	**	**	**	**
Chip-N-Saw										
Northeast TX	\$/Cord 86.65	\$/Cord 8.33	\$/Cord 43.65	\$/Ton 16.63	\$/Cord 37.45	\$/Ton 14.27	\$/Cord 46.92	\$/Cord 59.11	6	Cords 987
Southeast TX	**	**	**	**	**	**	47.92	66.37	**	**
Statewide*	86.65	8.33	43.65	16.63	37.45	14.27	47.92	62.95	6	987
USFS	**	**	**	**	**	**	**	**	**	**
HARDWOOD										
Sawlogs & Veneer										
Northeast TX	\$/MBF 150.00	\$/MBF 81.00	\$/MBF 109.79	\$/Ton 12.20	\$/MBF 123.21	\$/Ton 13.69	\$/MBF 118.90	\$/MBF 114.09	8	MBF 707
Southeast TX	109.03	99.78	101.72	11.30	102.28	11.36	97.94	126.27	5	164
Statewide*	150.00	81.00	105.75	11.75	119.27	13.25	102.28	117.25	13	870
USFS	**	**	**	**	**	**	**	**	**	**
Pulpwood										
Northeast TX	\$/Cord 41.98	\$/Cord 5.60	\$/Cord 15.26	\$/Ton 5.45	\$/Cord 17.20	\$/Ton 6.14	\$/Cord 9.07	\$/Cord 5.76	12	Cords 7,389
Southeast TX	22.00	2.80	10.90	3.89	15.84	5.66	4.27	11.89	11	2,460
Statewide*	41.98	2.80	13.08	4.67	16.86	6.02	5.22	8.26	23	9,849
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

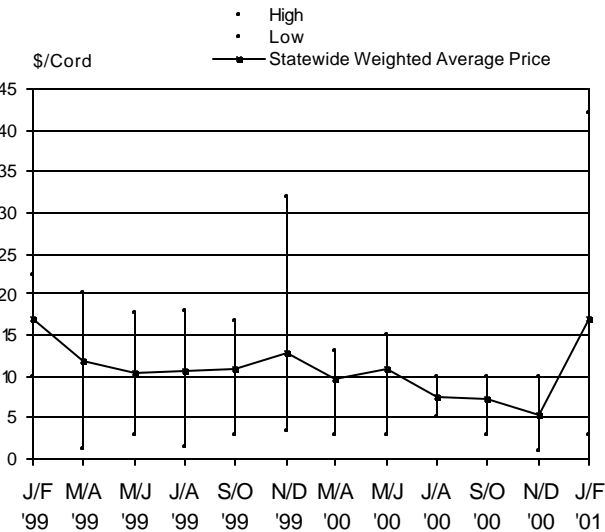
*Statewide data excludes U.S. Forest Service sales

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

HARDWOOD SAWTIMBER & VENEER



HARDWOOD PULPWOOD

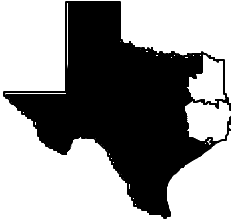


TEXAS ANNUAL STATEWIDE AVERAGE STUMPAGE PRICES

Year	Pine			Hardwood	
	Sawlog \$/MBF-Doyle	Chip-N-Saw \$/Cord	Pulpwood \$/Cord	Sawlog \$/MBF-Doyle	Pulpwood \$/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
2001.1	310.36	37.45	12.57	119.27	16.86

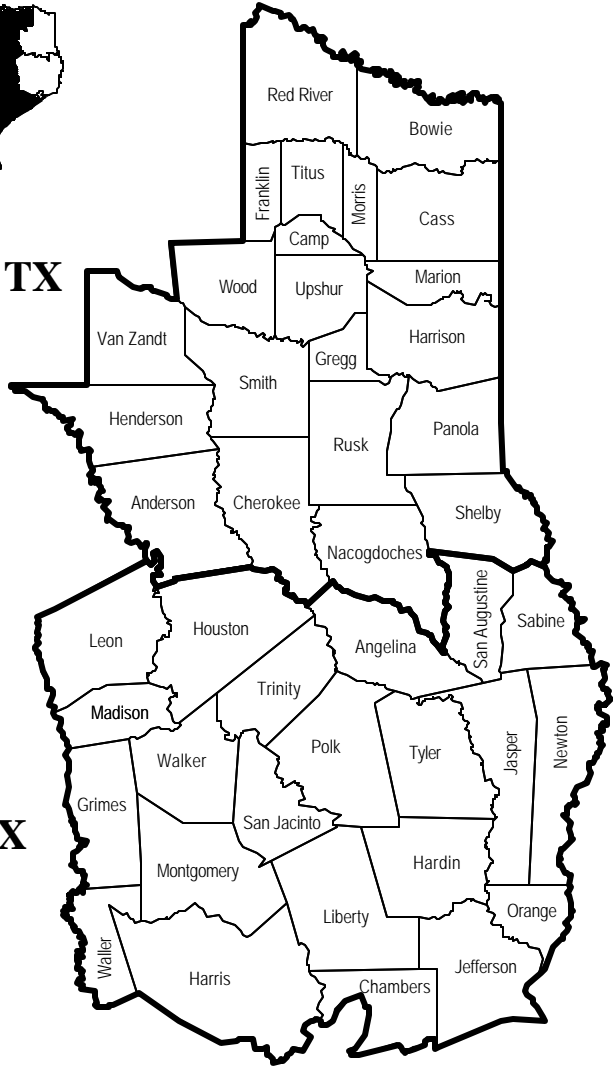
Texas Timber Price Trends

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

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 for \$10 per year. To subscribe, please send your request and check or money order to:

Texas Forest Service
301 Tarrow Suite 364
College Station, TX 77840-7896

This publication is also available free of charge on Texas Forest Service website: <http://txforestsERVICE.tamu.edu/tfshome/manage/ttpt.htm>

For more information, call (979)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.

The Texas Forest Service is an Equal Opportunity Employer

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