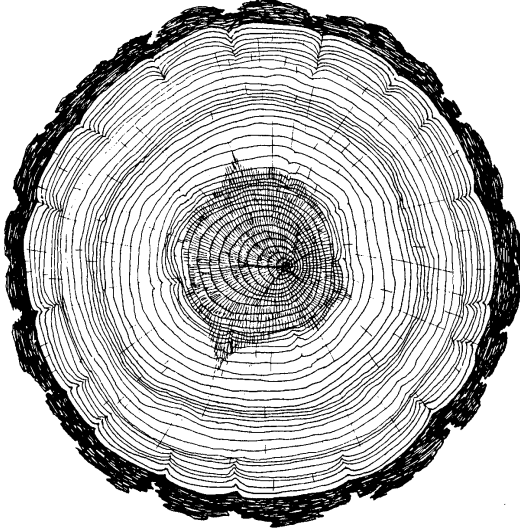


\$2.00

TEXAS TIMBER PRICE TRENDS



BIMONTHLY MARKET REPORT

VOL. 17 NO. 1

JANUARY/FEBRUARY 1999

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

Pine Sawtimber

The statewide weighted average stumpage price for pine sawtimber was \$404.66/mbf-Doyle. This is up 2.2 percent from the previous reporting period and down 11.2 percent from the same period one year ago. 88 sales were reported this period involving 37.6 mmbf, with 43 from Northeast Texas and 45 from Southeast Texas.

The statewide *unweighted* average stumpage price for pine sawtimber was \$402.20/mbf, \$2.46 less than the weighted average. The highest and lowest reported prices were \$532.2/mbf and \$243.45/mbf, respectively.

In Northeast Texas, pine sawtimber sold for \$417.85/mbf on average. This is \$24.87 higher than the \$392.98/mbf reported for Southeast Texas.

The average sawlog stumpage from the National Forests in Texas is \$403.28/mbf..

Pine Pulpwood

Reported statewide average price for pine pulpwood was \$32.23/cord, down 3 percent from the last reporting period. Average reported prices were \$33.12 and \$31.60/cord for Northeast and Southeast Texas, respectively.

A total of 69 sales were reported involving 29.92 thousand cords. In Northeast Texas, 33 sales were reported while in Southeast Texas, 36 sales were reported.

The average *unweighted* price was \$30.79/cord, \$1.44 lower than the weighted price.

Pine Chip-N-Saw

The average weighted price for Pine Chip-N-Saw was \$70.01, an increase of 5 percent over the last reporting period. Ten sales were reported from Northeast Texas and Thirty-one reported sales from Southeast Texas. The *unweighted* average was \$63.81/cord, \$6.2 lower than the weighted price.

Hardwood Sawtimber

The average hardwood sawtimber stumpage price was \$152.76/mbf, a 41.4 percent up compared with the last reporting period. A total of 9 sales were reported statewide, with 1 from Northeast and 8 sales from Southeast of Texas.

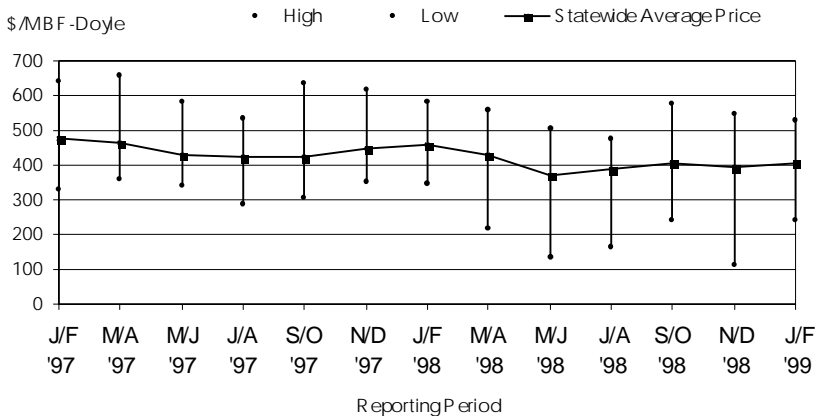
The *unweighted* average price was \$129.70/mbf, \$23.06/mbf lower than the weighted price.

Hardwood Pulpwood

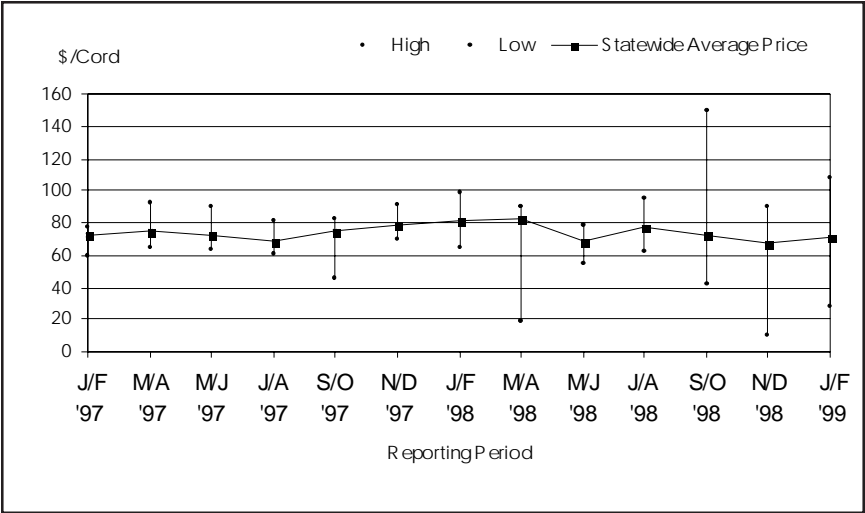
The statewide reported price for hardwood pulpwood was \$16.88/cord. It was 44.2 percent higher than the price for the last reporting period. The price was \$15.92/cord and \$16.91/cord for Northeast and Southeast Texas, respectively.

A total of 22 sales were reported with the volume of 7.2 thousand cords. In Northeast Texas, 2 sales totaling .23 thousand cords were reported while in Southeast Texas, 20 sales totaling 7.0 thousand cords were reported.

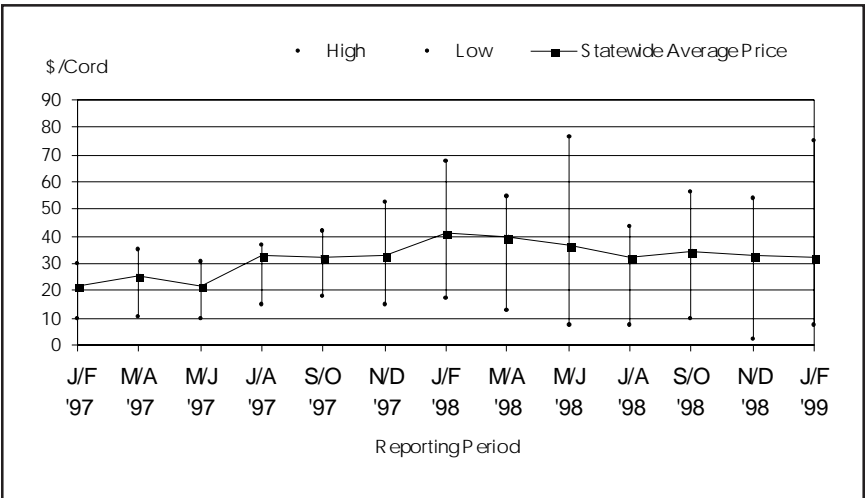
PINE SAWTIMBER & VENEER



PINE CHIP-N-SAW



PINE PULPWOOD



TIMBER PRICE TRENDS IN TEXAS

January/February 1999

25-May-99
Volume 17, No. 1

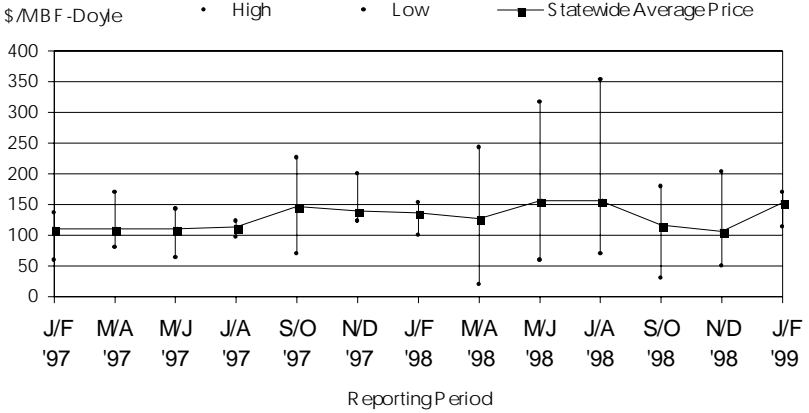
Product/Region	High		Low		Unweighted Average		Weighted Average		The Last Period		Same Period 1 Year Ago	# of Sale Reports	Total Volume
	\$/MBF	\$/Cord	\$/MBF	\$/Cord	\$/MBF	\$/Ton	\$/MBF	\$/Ton	\$/MBF	\$/Cord	\$/Cord		
PINE													
Sawlogs & Veneer													
Northeast TX	500.00		280.00		410.12	51.27	417.85	52.23	434.71		453.27	43	17,649
Southeast TX	532.20		243.45		394.27	49.28	392.98	49.12	365.70		458.62	45	19,943
Statewide*	532.20		243.45		402.20	50.27	404.66	50.58	395.97		455.90	88	37,592
USFS	438.56		387.51		412.73	51.59	403.28	50.41	422.10		**	6	7,500
Pulpwood													
Northeast TX	45.45	\$/Cord	13.75	\$/Cord	31.61	12.64	33.12	13.25	34.67	\$/Cord	42.02	33	12,427
Southeast TX	75.00		7.50		29.97	11.42	31.60	12.04	31.29		39.69	36	17,493
Statewide*	75.00		7.50		30.79	12.03	32.23	12.54	33.22		40.90	69	29,920
USFS	28.35		12.73		20.18	7.69	20.64	7.86	22.75		**	6	5,896
Chip-N-Saw													
Northeast TX	70.99	\$/Cord	35.44	\$/Cord	59.40	22.63	63.08	24.03	74.39	\$/Cord	84.22	10	1,040
Southeast TX	108.00		28.08		68.21	25.98	70.77	26.96	64.53		77.65	31	9,552
Statewide	108.00		28.08		63.81	24.31	70.01	26.67	66.70		81.86	41	10,591
USFS	**		**		**	**	**	**	**		**	**	**
HARDWOOD													
Sawlogs & Veneer													
Northeast TX	111.84		111.84		111.84	12.43	111.84	12.43	90.59		139.50	1	9
Southeast TX	170.00		120.00		147.56	16.40	153.53	17.06	136.76		84.66	8	484
Statewide*	170.00		111.84		129.70	14.41	152.76	16.97	108.06		137.42	9	493
USFS	**		**		**	**	**	**	**		**	**	**
Pulpwood													
Northeast TX	16.25	\$/Cord	15.00	\$/Cord	15.63	5.58	15.92	5.69	9.01	\$/Cord	23.58	2	225
Southeast TX	22.41		10.00		16.73	5.97	16.91	6.04	15.15		20.38	20	7,011
Statewide*	22.41		10.00		16.18	5.78	16.88	6.03	11.71		23.17	22	7,236
USFS	**		**		**	**	**	**	**		**	**	**

Price per ton is calculated from the average price per MBF or cord based on conversion factors listed under VOLUME CONVERSION FACTORS or MBF=Thousand Board Feet. The DOYLE LOG SCALE is used for all board foot measurements

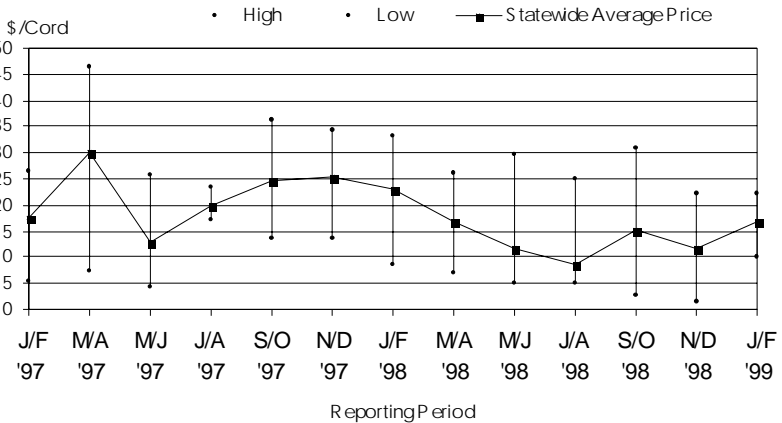
*Statewide data excludes U.S. Forest Service sales.

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

HARDWOOD SAWTIMBER & VENEER



HARDWOOD PULPWOOD

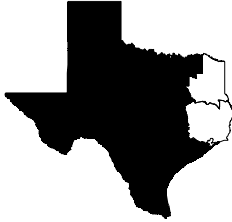


TEXAS ANNUAL STATEWIDE

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
1999.1	404.66	70.01	32.23	152.76	16.88

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

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

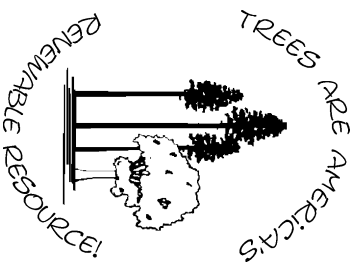
For more information, call (979)458-6650.

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.

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