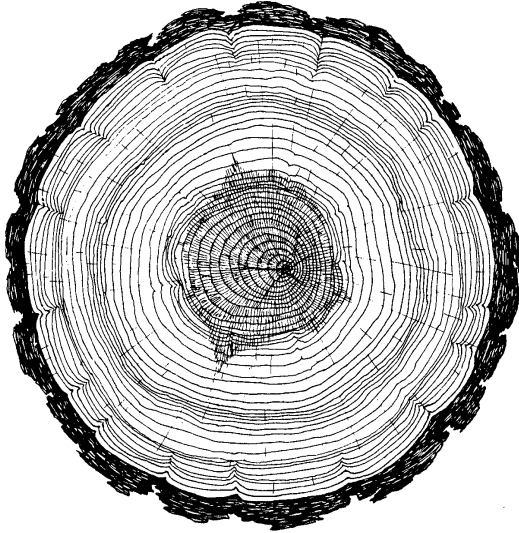


\$2.00

TEXAS TIMBER PRICE TRENDS



BIMONTHLY MARKET REPORT

VOL. 19 NO. 2

March/April 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 Sawlogs Prices

Pine sawlog market continue to be weak and the prices are very low. Over half (or 56%) of the sale volume were under \$300/mbf mark. About eighty-three percent (83%) of the below \$300/mbf sales were at the range of \$280-299/mbf. Corporate buyers and mills reported the majority (or 93%) of the below \$300/mbf sales.

Of the sales in the \$300's per MBF, about 66% of the volume were at \$350-395/mbf, 32% were at \$300-\$325 range. There are only four sales (out of 50 sales in total), or 6% of the total volume, at the range of \$400-432/mbf.

Volume-weighted average price for NE and SE region was \$343/mbf (or \$43/ton) and \$307/mbf (or \$38/ton), respectively.

Pine Chip-N-Saw Prices

There's a sharp decrease in pine chip-n-saw prices and sale volume for March/April, 2001. Volume-weighted average price for this period was only \$23/cord (or \$9/ton) based on a total of 4 sales (220 cords) from NE region. Only 2 sales were received from SE region. A year ago, the price of chip-n-saw was \$57/cord (or \$22/ton).

Pine Pulpwood Prices

Pine pulpwood market almost collapsed and price was extremely low. Volume-weighted average price was \$14/cord (or \$5/ton) compared to a year-ago at \$26/cord (or \$10/ton).

Pole Prices

One of our reporters indicated that pole stumpage price on average was \$70-72/ton (\$88-90/ton, delivered) for the East Texas region. There has been a winter slowdown of pole sales and now sales started to go up.

Hardwood Sawlog and Veneer Prices

Hardwood sawlog price increased to \$133/mbf (or \$15/ton) for this period. However, sale volume (339 mbf) is much less than Jan/Feb period (870 mbf). There's less than 3 sales reported from the NE region. Our reporter told us that veneer red oak stumpage price can be sold at \$400/mbf.

Hardwood Pulpwood Prices

Hardwood pulpwood price was \$15/cord (or \$5/ton) for the East Texas region, a slight decrease from Jan/Feb period (\$17/cord or \$6/ton) but

much higher than a year-ago (\$10/cord or \$3.6/ton).

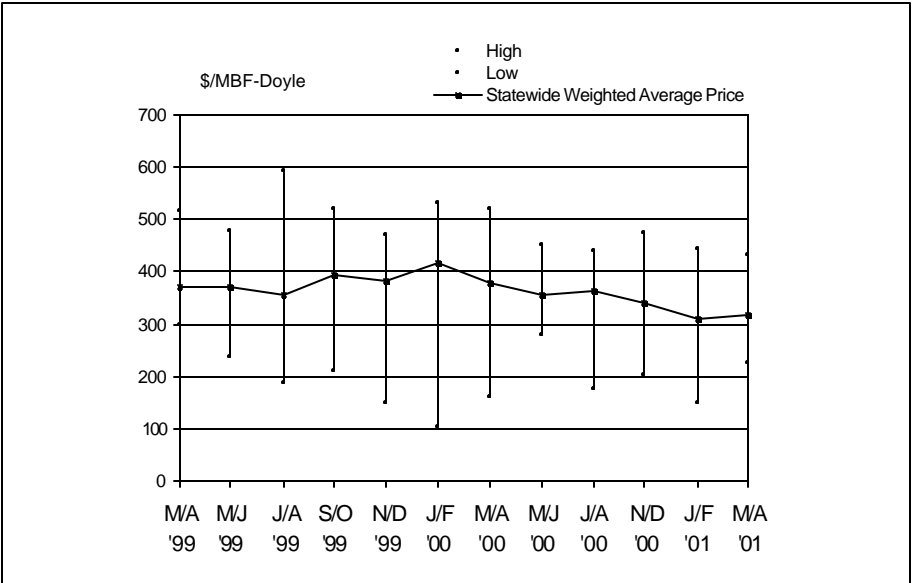
Rising Lumber Price

Lumber market was very depressed in the last several months. During March/April period, southern pine lumber prices has started rising. There's still considerable market uncertainty, the result of US-Canada softwood lumber trade dispute, the continued consolidation of large companies, poor stock performances, and rising energy costs.

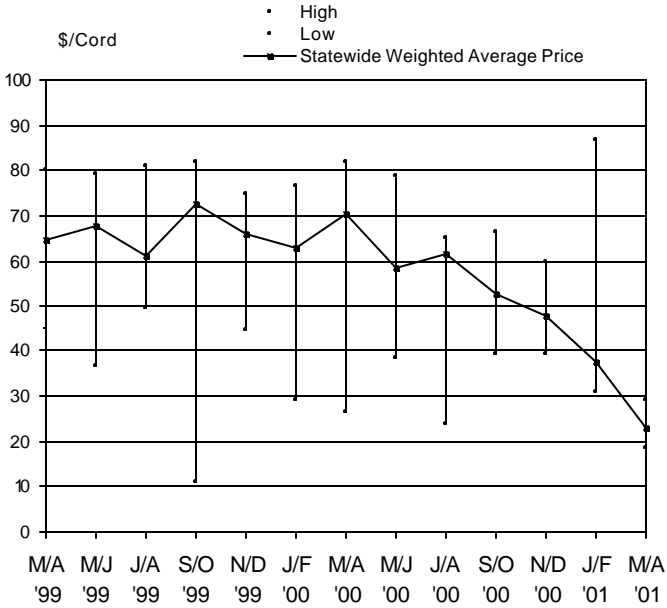
The acquisition of Champion International by International Paper Company, the International's decision to sell 800,000 acres in East Texas and the environmental lawsuits on timber sales from the Texas National Forests have contributed to market uncertainty. Soaring energy cost drives up manufacturing costs for the energy-intensive forest product manufacturers. The Sheldon mill of Abitibi ceased purchasing pulpwood from East Texas and went for all-recycling materials, which reduced a significant amount of pulpwood demand in the local area.

At the same time, new technology have opened up new opportunities for the industry, especially the greater utilization of the smaller timber. The industry continue to under changes over the time.

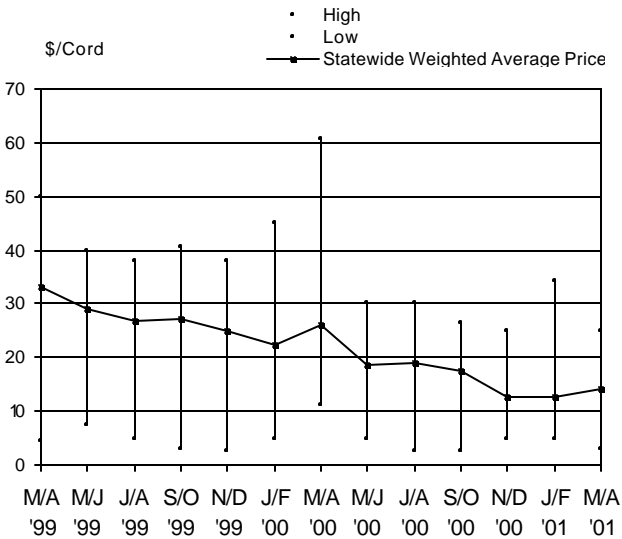
PINE SAWTIMBER & VENEER



PINE CHIP-N-SAW



PINE PULPWOOD



TIMBER PRICE TRENDS IN TEXAS

March/April 2001

30-May-01
Volume 19, No. 2

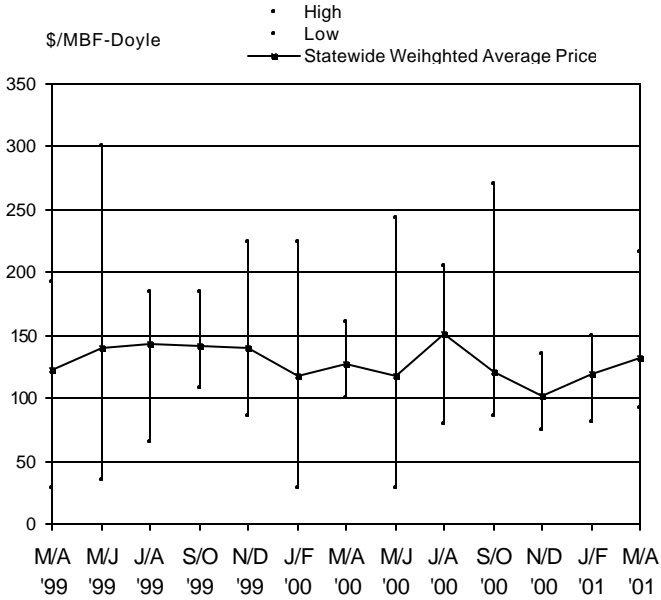
Product/Region	High	Low	Unweighted Average		Weighted Average(WA)		WA Last Period	WA 1 Year Ago	# of Sale Reported	Total Volume
			\$/MBF	\$/Ton	\$/MBF	\$/Ton				
PINE										
Sawlogs & Veneer										
Northeast TX	\$/MBF 432.84	\$/MBF 240.00	\$/MBF 327.01	\$/Ton 40.88	\$/MBF 343.14	\$/Ton 42.89	\$/MBF 318.02	\$/MBF 394.88	20	MBF 2,150
Southeast TX	416.00	224.00	306.59	38.32	307.33	38.42	302.24	452.36	30	6,226
Statewide*	432.84	224.00	316.80	39.60	316.52	39.56	310.36	441.02	50	8,375
USFS	**	**	**	**	**	**	**	**	**	**
Pulpwood										
Northeast TX	\$/Cord 20.00	\$/Cord 7.50	\$/Cord 12.62	\$/Ton 5.05	\$/Cord 12.87	\$/Ton 5.15	\$/Cord 11.77	\$/Cord 22.55	17	Cords 3,051
Southeast TX	25.00	3.00	13.33	5.08	14.57	5.55	14.80	27.52	29	6,786
Statewide*	25.00	3.00	12.97	5.06	14.04	5.43	12.57	25.99	46	9,838
USFS	**	**	**	**	**	**	**	**	**	**
Chip-N-Saw										
Northeast TX	\$/Cord 28.88	\$/Cord 18.38	\$/Cord 23.63	\$/Ton 9.00	\$/Cord 22.78	\$/Ton 8.68	\$/Cord 37.45	\$/Cord 56.63	4	Cords 220
Southeast TX	**	**	**	**	**	**	**	72.95	**	**
Statewide*	28.88	18.38	23.63	9.00	22.78	8.68	37.45	70.69	4	220
USFS	**	**	**	**	**	**	**	**	**	**
HARDWOOD										
Sawlogs & Veneer										
Northeast TX	\$/MBF 216.24	\$/MBF 93.00	\$/MBF 139.85	\$/Ton 15.54	\$/MBF 132.83	\$/Ton 14.76	\$/MBF 123.21	\$/MBF 120.84	**	MBF 339
Southeast TX	216.24	93.00	139.85	15.54	132.83	14.76	102.28	128.75	8	339
Statewide*	**	**	**	**	**	**	119.27	127.27	8	339
USFS	**	**	**	**	**	**	**	**	**	**
Pulpwood										
Northeast TX	\$/Cord 33.60	\$/Cord 8.00	\$/Cord 16.41	\$/Ton 5.86	\$/Cord 19.10	\$/Ton 6.82	\$/Cord 17.20	\$/Cord 8.41	5	Cords 1,096
Southeast TX	25.67	3.92	12.76	4.56	12.56	4.49	15.84	10.28	12	1,963
Statewide*	33.60	3.92	14.59	5.21	14.91	5.32	16.86	9.64	17	3,059
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

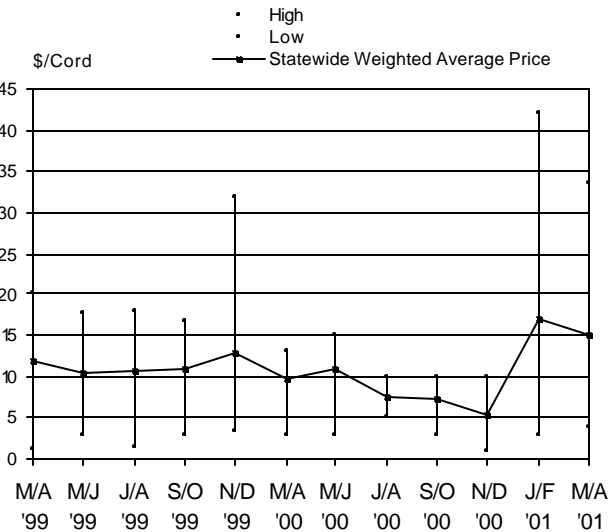
*Statewide data excludes U.S. Forest Service sales

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

HARDWOOD SAWTIMBER & VENEER



HARDWOOD PULPWOOD

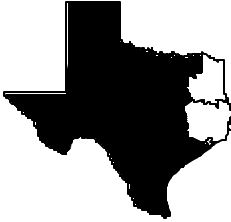


TEXAS ANNUAL STATEWIDE AVERAGE STUMPAGE PRICES

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
2001.2	316.52	22.78	14.04	132.83	14.91

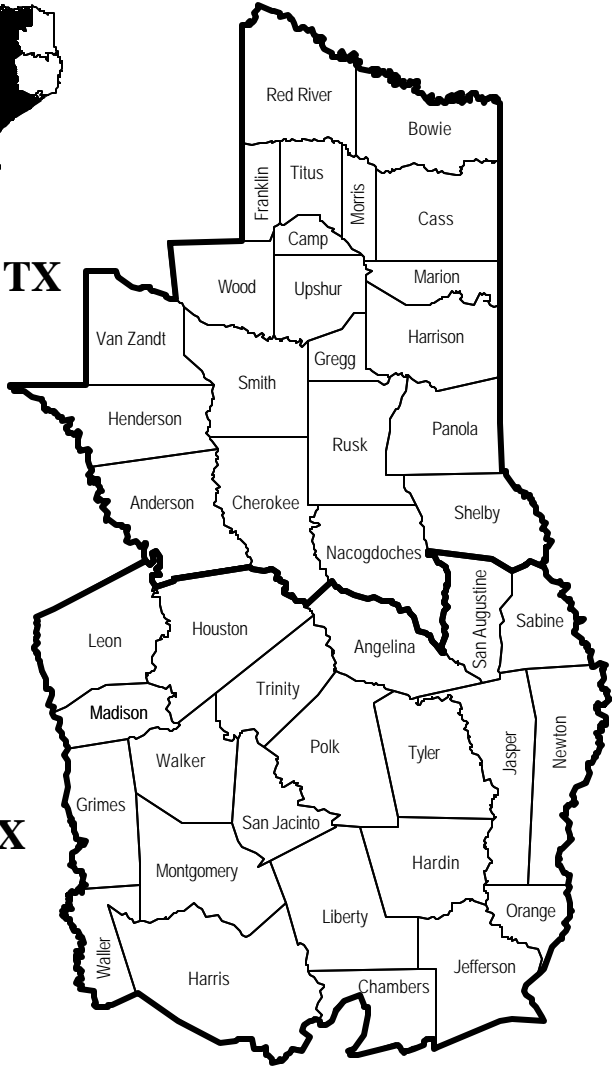
Texas Timber Price Trends

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:

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This publication is also available free of charge on Texas Forest Service website (http://txforestservicetamu.edu/forest_management/texas_timber_price_trends/index.html).

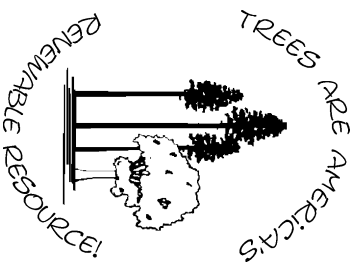
For more information, call (979)458-6650.

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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