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.

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/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.

The Texas Forest Service is an Equal Opportunity Employer
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.
HARDWOOD SAWTIMBER & VENEER

$/MBF-Doyle
- High
- Low
- Statewide Weighted Average Price

M/A '99 M/J '99 J/A '99 S/O '99 N/D '99 J/F '00 M/A '00 M/J '00 J/A '00 S/O '00 N/D '00 J/F '01 M/A '01

PINE CHIP-N-SAW

$/Cord
- High
- Low
- Statewide Weighted Average Price

M/A '99 M/J '99 J/A '99 S/O '99 N/D '99 J/F '00 M/A '00 M/J '00 J/A '00 S/O '00 N/D '00 J/F '01 M/A '01

HARDWOOD PULPWOOD

$/Cord
- High
- Low
- Statewide Weighted Average Price

M/A '99 M/J '99 J/A '99 S/O '99 N/D '99 J/F '00 M/A '00 M/J '00 J/A '00 S/O '00 N/D '00 J/F '01 M/A '01

PINE PULPWOOD

$/Cord
- High
- Low
- Statewide Weighted Average Price

M/A '99 M/J '99 J/A '99 S/O '99 N/D '99 J/F '00 M/A '00 M/J '00 J/A '00 S/O '00 N/D '00 J/F '01 M/A '01
## TIMBER PRICE TRENDS IN TEXAS
March/April 2001

<table>
<thead>
<tr>
<th>Product/Region</th>
<th>High (MBF)</th>
<th>Low (MBF)</th>
<th>Unweighted Average (MBF)</th>
<th>Weighted Average (WA)</th>
<th>WA Last Period (MBF)</th>
<th>WA 1 Year Ago (MBF)</th>
<th># of Sale Reported</th>
<th>Total Volume (MBF)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PINE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sawlogs &amp; Veneer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northeast TX</td>
<td>432.84</td>
<td>240.00</td>
<td>327.01</td>
<td>40.88</td>
<td>318.02</td>
<td>394.88</td>
<td>20</td>
<td>2,150</td>
</tr>
<tr>
<td>Southeast TX</td>
<td>416.00</td>
<td>224.00</td>
<td>306.59</td>
<td>38.32</td>
<td>302.24</td>
<td>452.36</td>
<td>30</td>
<td>6,226</td>
</tr>
<tr>
<td>Statewide*</td>
<td>432.84</td>
<td>224.00</td>
<td>316.80</td>
<td>39.60</td>
<td>310.36</td>
<td>441.02</td>
<td>50</td>
<td>8,375</td>
</tr>
<tr>
<td>USFS</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
</tr>
<tr>
<td><strong>Pulpwood</strong></td>
<td>$/Cord</td>
<td>$/Cord</td>
<td>$/Cord</td>
<td>$/Ton</td>
<td>$/Cord</td>
<td>$/Cord</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northeast TX</td>
<td>20.00</td>
<td>7.50</td>
<td>12.62</td>
<td>5.05</td>
<td>11.77</td>
<td>22.55</td>
<td>17</td>
<td>3,051</td>
</tr>
<tr>
<td>Southeast TX</td>
<td>25.00</td>
<td>3.00</td>
<td>13.33</td>
<td>5.08</td>
<td>14.80</td>
<td>27.52</td>
<td>29</td>
<td>6,786</td>
</tr>
<tr>
<td>Statewide*</td>
<td>25.00</td>
<td>3.00</td>
<td>12.97</td>
<td>5.06</td>
<td>12.57</td>
<td>25.99</td>
<td>46</td>
<td>9,838</td>
</tr>
<tr>
<td>USFS</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
</tr>
<tr>
<td><strong>Chip-N-Saw</strong></td>
<td>$/Cord</td>
<td>$/Cord</td>
<td>$/Cord</td>
<td>$/Ton</td>
<td>$/Cord</td>
<td>$/Cord</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northeast TX</td>
<td>28.88</td>
<td>18.38</td>
<td>23.63</td>
<td>9.00</td>
<td>22.78</td>
<td>37.45</td>
<td>4</td>
<td>220</td>
</tr>
<tr>
<td>Southeast TX</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
</tr>
<tr>
<td>Statewide*</td>
<td>28.88</td>
<td>18.38</td>
<td>23.63</td>
<td>9.00</td>
<td>22.78</td>
<td>37.45</td>
<td>4</td>
<td>220</td>
</tr>
<tr>
<td>USFS</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
</tr>
<tr>
<td><strong>HARDWOOD</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sawlogs &amp; Veneer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northeast TX</td>
<td>216.24</td>
<td>93.00</td>
<td>139.85</td>
<td>15.54</td>
<td>132.83</td>
<td>128.75</td>
<td>8</td>
<td>339</td>
</tr>
<tr>
<td>Southeast TX</td>
<td>216.24</td>
<td>93.00</td>
<td>139.85</td>
<td>15.54</td>
<td>119.27</td>
<td>127.27</td>
<td>8</td>
<td>339</td>
</tr>
<tr>
<td>Statewide*</td>
<td>216.24</td>
<td>93.00</td>
<td>139.85</td>
<td>15.54</td>
<td>123.21</td>
<td>120.84</td>
<td>&quot;</td>
<td>&quot;</td>
</tr>
<tr>
<td>USFS</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
</tr>
<tr>
<td><strong>Pulpwood</strong></td>
<td>$/Cord</td>
<td>$/Cord</td>
<td>$/Cord</td>
<td>$/Ton</td>
<td>$/Cord</td>
<td>$/Cord</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northeast TX</td>
<td>33.60</td>
<td>8.00</td>
<td>16.41</td>
<td>5.86</td>
<td>19.10</td>
<td>17.20</td>
<td>5</td>
<td>1,096</td>
</tr>
<tr>
<td>Southeast TX</td>
<td>25.67</td>
<td>3.92</td>
<td>12.76</td>
<td>4.56</td>
<td>12.56</td>
<td>10.28</td>
<td>12</td>
<td>1,963</td>
</tr>
<tr>
<td>Statewide*</td>
<td>33.60</td>
<td>3.92</td>
<td>14.59</td>
<td>5.21</td>
<td>14.91</td>
<td>16.86</td>
<td>17</td>
<td>3,059</td>
</tr>
<tr>
<td>USFS</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
<td>&quot;</td>
</tr>
</tbody>
</table>

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).
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.
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
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.

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/forest_management/texas_timber_price_trends/index.html](http://txforestservice.tamu.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.

*The Texas Forest Service is an Equal Opportunity Employer*
TEXAS TIMBER
PRICE TRENDS

BIMONTHLY MARKET REPORT
VOL. 18 NO. 3
May/June 2000

U.S. POSTAGE PAID
College Station, Texas
Permit No. 215

Non-profit Organization
Sustaining the American Dream