

TEXAS TIMBER PRICE TRENDS

Market Overview*

Housing starts ended the year at 780,000 units, a 28 percent increase over 2011. Multi-family units led the way with a 38 percent increase. Single-units also moved higher, with 24 percent more units in 2012 compared to 2011. Weather conditions continued to remain favorable for logging and mill inventories remained high.

The average statewide pine sawlog price was \$25.41 per ton, a 4 percent increase from last period. The average price increased 10 percent from the same period one year ago.

Compared to the last period, average statewide pine pulpwood price fell 2 percent to \$5.69 per ton. The average pine pulpwood price was \$5.23 in Northeast Texas and \$5.82 in Southeast Texas.

Small diameter pine sawlog (CNS) price averaged \$11.03 per ton statewide, 4 percent less than the price last period.

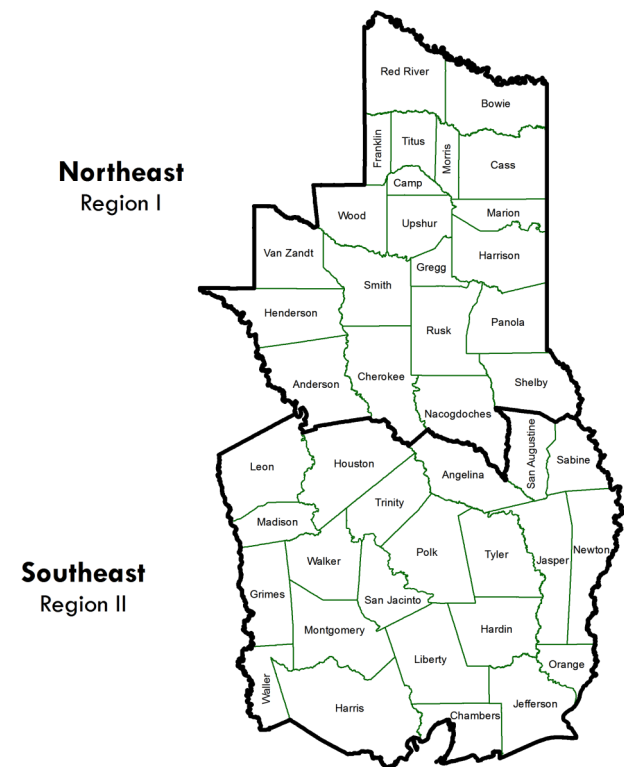
The statewide average hardwood sawlog price across the state was \$30.81 per ton, an increase of 14 percent compared to the price last period.

Compared to the last period, the statewide average hardwood pulpwood price fell by 17

percent to \$7.46 per ton. The price this period was 3 percent less than the price observed for the same period last year.

*The average prices reported here represent statewide transactions of 68,296 tons of pine sawlogs, 292,114 tons of pine pulpwood, 59,864 tons of pine CNS, 10,384 tons of mixed hardwood sawlogs, and 39,302 tons of hardwood pulpwood during November/December 2012.

Texas Timber Price Trends Market Regions

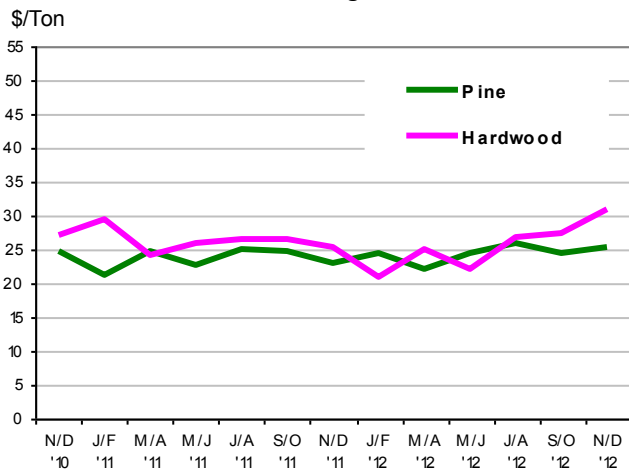


Stumpage Prices in Texas

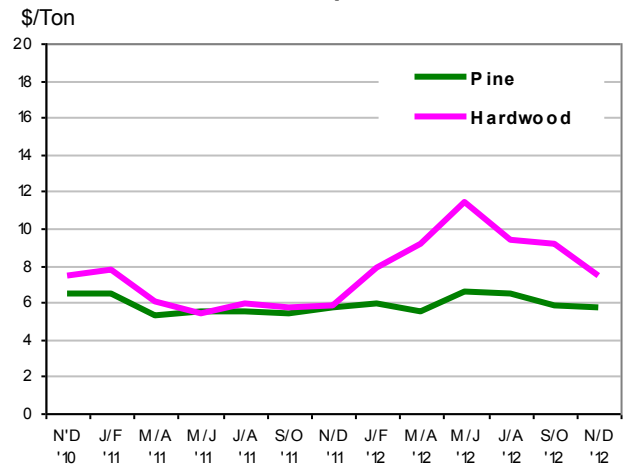
Product /Region	Average Price		Last Period			Year Ago			Report		
PINE											
Sawlogs	\$/ton	\$/MBF	\$/ton	\$/MBF	Chg		\$/ton	\$/MBF	Chg	Number	
Northeast TX	33.90	271.23	24.57	205.38	38%	↑	24.43	203.37	39%	↑	19
Southeast TX	24.55	189.44	24.51	186.21	0%	↑	22.47	173.95	9%	↑	12
Statewide	25.41	196.74	24.52	189.31	4%	↑	23.08	182.67	10%	↑	31
USFS	**	**	**	**	**		11.59	92.68	**		**
Pulpwood	\$/ton	\$/cord	\$/ton	\$/cord	Chg		\$/ton	\$/cord	Chg	Number	
Northeast TX	5.23	14.11	5.67	15.30	-8%	↓	4.47	12.00	17%	↑	36
Southeast TX	5.82	15.72	5.80	15.67	0%	↑	6.77	18.28	-14%	↓	29
Statewide	5.69	15.36	5.78	15.60	-2%	↓	6.26	16.87	-9%	↓	65
USFS	**	**	**	**	**		2.92	7.88	**		**
Chip-N-Saw	\$/ton	\$/cord	\$/ton	\$/cord	Chg		\$/ton	\$/cord	Chg	Number	
Northeast TX	**	**	**	**	**		**	**	**	**	**
Southeast TX	11.03	29.79	11.51	31.07	-4%	↓	8.84	23.86	25%	↑	8
Statewide	11.03	29.79	11.50	31.06	-4%	↓	8.85	23.90	25%	↑	8
HARDWOOD											
Mixed Sawlogs	\$/ton	\$/MBF	\$/ton	\$/MBF	Chg		\$/ton	\$/MBF	Chg	Number	
Northeast TX	26.29	236.57	23.72	229.03	11%	↑	23.09	213.15	14%	↑	15
Southeast TX	34.18	307.58	32.24	290.13	6%	↑	26.96	242.65	27%	↑	12
Statewide	30.81	277.30	26.97	253.37	14%	↑	25.15	229.01	23%	↑	27
USFS	**	**	**	**	**		**	**	**	**	**
Pulpwood	\$/ton	\$/cord	\$/ton	\$/cord	Chg		\$/ton	\$/cord	Chg	Number	
Northeast TX	5.63	15.77	9.64	27.01	-42%	↓	7.29	20.54	-23%	↓	15
Southeast TX	7.95	22.25	8.55	23.93	-7%	↓	7.74	21.68	3%	↑	17
Statewide	7.46	20.88	8.96	25.09	-17%	↓	7.71	21.59	-3%	↓	32
USFS	**	**	**	**	**		**	**	**	**	**

1. Stumpage price statistics include gatewood sales. Stumpage prices for gatewood sales are estimated by subtracting cut-and-haul costs, other expenses, and profits provided by reporter.
2. Price is calculated from a specific conversion factor reported for each sale if available; otherwise, the average conversion factors listed on page 4 are used. MBF = Thousand Board Feet. The DOYLE LOG SCALE is used for board foot measurements.
3. Statewide data excludes U.S. Forest Service sales.
4. ** indicates insufficient sales to report price statistics (less than three sales).
5. Prices listed for previous periods may differ from previously published values because additional data have been received.
6. Price change in percentage is calculated based on price in ton.
7. Extreme outliers from reported data are detected and filtered out based on statistical methods.
8. Price changes are calculated based on price in ton.

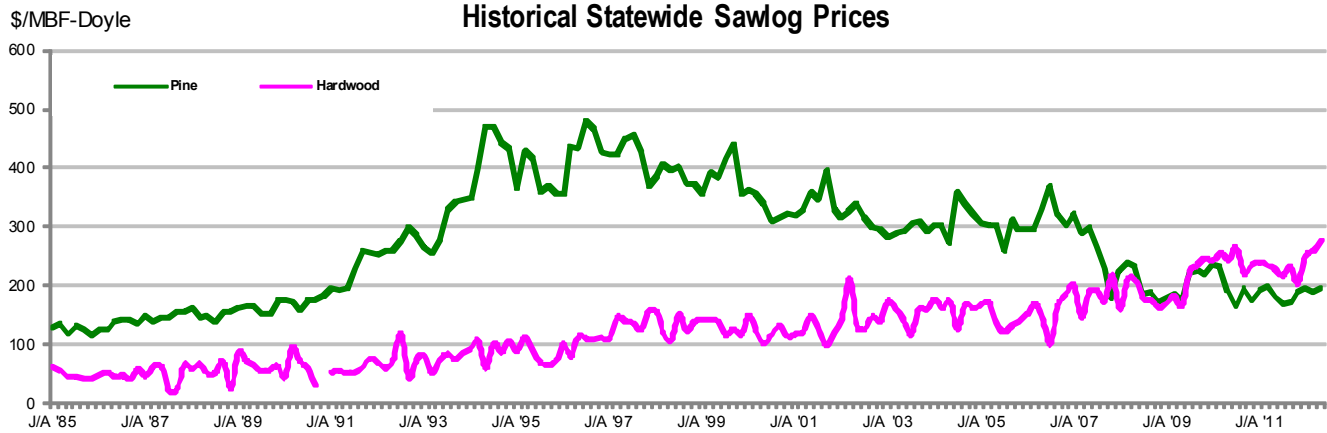
Sawlogs



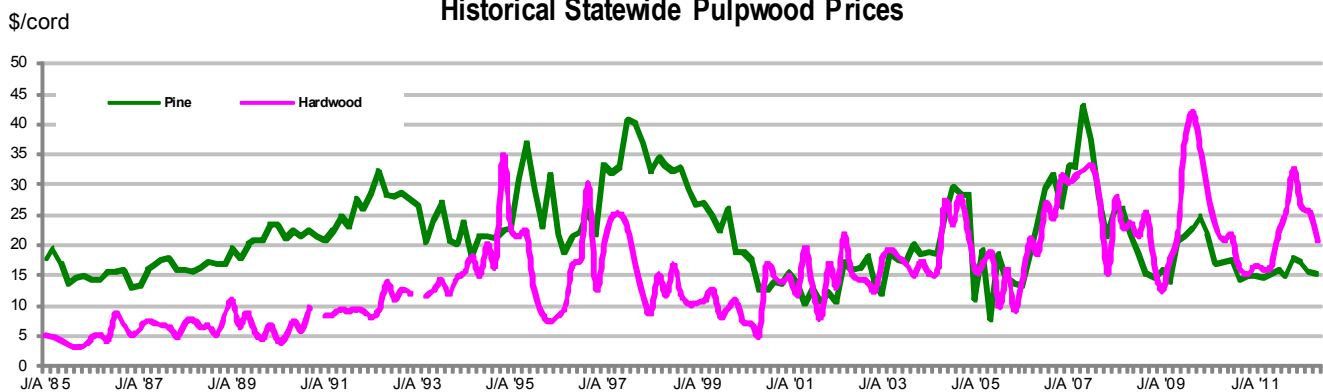
Pulpwood



Historical Statewide Sawlog Prices



Historical Statewide Pulpwood Prices



Note: A gap in the chart means less than 3 sales were reported and no price statistics were compiled. For chart data, please go to <http://txforestservice.tamu.edu/main/article.aspx?id=145>.



Texas Timber Price Trends is a bi-monthly publication reporting average prices paid for standing timber in Texas.

This report is intended only as a guide to general price levels. Individuals inter-

ested in buying and selling timber can use this report to monitor market trends and get a general idea of what timber is worth. However, it should not be used to judge the fair market value of a specific timber sale, which may vary considerably due to many factors.

HOW ARE AVERAGE PRICES CALCULATED?

Data published in this report are from actual timber sales as reported by as many as 60 cooperators active in the East Texas timber market. Reporters include forest product companies, logging contractors, consulting foresters, family forest landowners, financial institutions, and federal agencies.

The prices are volume-weighted average prices. The price per ton for each product category is as reported or using a specific conversion factor provided by the reporters. When a specific conversion factor for each sale is not available, an average conversion factor listed here is used instead.

VOLUME CONVERSION FACTORS

Sawlogs & Chip-N-Saw

Pine— 8 tons=1 MBF-Doyle

Pine CNS— 2.7 tons= 1 Cord

Hardwood— 9 tons= 1 MBF-Doyle

Pulpwood

Pine— 2.7 tons=1 Cord

Hardwood— 2.8 tons= 1 Cord

This publication is also available on the Texas Forest Service website at:

<http://txforestservice.tamu.edu/main/article.aspx?id=145>

WANT TO BE A REPORTER?

If you are active in the East Texas timber market, please consider becoming a cooperating price reporter. You will receive report forms bi-monthly with a self-return envelope. In addition, you will receive a hard copy of the report in exchange for your price information.