

TEXAS TIMBER PRICE TRENDS

Market Overview*

With no significant improvement in housing starts and economic recovery, the pine sawlog market remained weak during July/August 2010. Pulpwood stumpage prices continued to retreat from the spring run-ups. One reporter commented that hardwood sawlog was the only bright spot on the board.

Statewide pine sawlog prices averaged \$29.32 per ton, 5 percent higher than the last period. The average pine sawlog price was \$25.43 per ton for Northeast Texas and \$34.04 per ton for Southeast Texas.

The average pine pulpwood price declined 13 percent from the last period to \$8.03 per ton. This was still well above the price a year ago.

The average small diameter pine sawlog (CNS) price was \$11.47 per ton, roughly the same as a year ago.

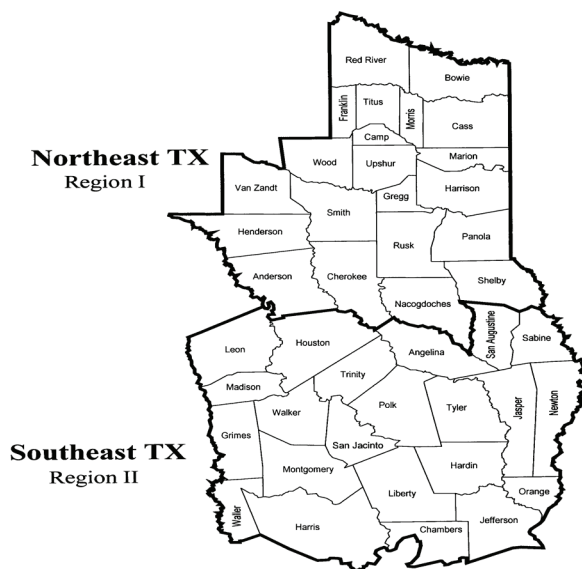
The average hardwood sawlog price was \$26.23 per ton. This was \$7.18 per ton or 38% higher than the price a year ago.

The average hardwood pulpwood price dropped to \$9.82 per ton but was more than five dollars per ton above the price a year ago.

Several reporters commented that land-owners were holding their timber off the market for better prices. However, concerns over an increase in capital gains tax rate (anticipating increasing from 15% to 20%) may increase the timber supply for the rest of the year.

The average prices reported here represent statewide transactions of 26,801 tons of pine sawlogs, 177,689 tons of pine pulpwood, 27,753 tons of pine CNS, 14,742 tons of mixed hardwood sawlogs, and 51,775 tons of hardwood pulpwood during July/August 2010.

**Texas Timber Price Trends
Market Regions**

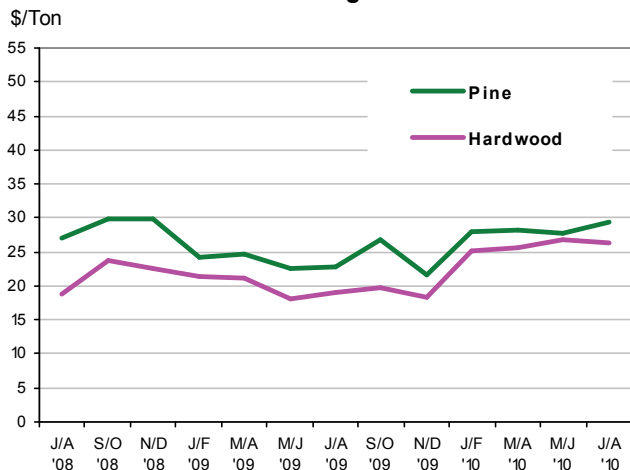


Stumpage Prices in Texas

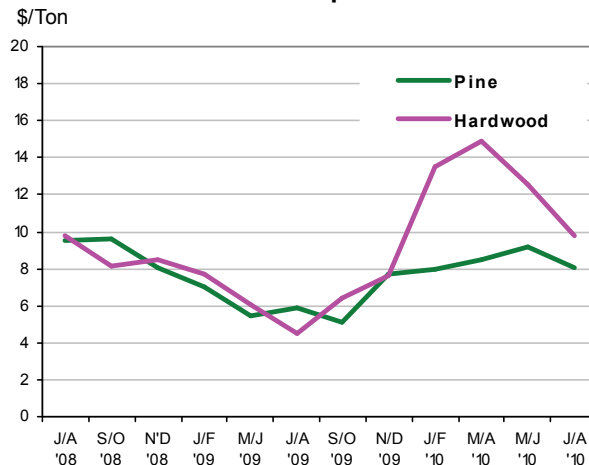
Product /Region	Average Price		Last Period			Year Ago			Report	
PINE										
Sawlogs	\$/ton	\$/MBF	\$/ton	\$/MBF	Chg	\$/ton	\$/MBF	Chg	Number	
Northeast TX	25.43	207.48	30.27	244.97	-16% ↓	24.30	188.78	5% ↑	24	
Southeast TX	34.04	272.34	27.16	214.37	25% ↑	22.66	177.50	50% ↑	4	
Statewide	29.32	237.08	27.80	220.53	5% ↑	22.80	178.51	29% ↑	28	
USFS	**	**	**	**	**	12.53	100.26	**	**	
Pulpwood	\$/ton	\$/cord	\$/ton	\$/cord	Chg	\$/ton	\$/cord	Chg	Number	
Northeast TX	6.64	17.93	7.72	20.81	-14% ↓	4.91	13.19	35% ↑	25	
Southeast TX	8.75	23.61	9.68	26.13	-10% ↓	6.07	16.39	44% ↑	23	
Statewide	8.03	21.67	9.21	24.85	-13% ↓	5.85	15.78	37% ↑	48	
USFS	**	**	**	**	**	**	**	**	**	
Chip-N-Saw	\$/ton	\$/cord	\$/ton	\$/cord	Chg	\$/ton	\$/cord	Chg	Number	
Northeast TX	**	**	17.95	48.47	**	**	**	**	**	
Southeast TX	**	**	16.50	44.56	**	11.80	31.85	**	**	
Statewide	11.47	30.97	16.64	44.92	-31% ↓	11.80	31.85	-3% ↓	4	
HARDWOOD										
Mixed Sawlogs	\$/ton	\$/MBF	\$/ton	\$/MBF	Chg	\$/ton	\$/MBF	Chg	Number	
Northeast TX	25.64	237.65	24.15	226.14	6% ↑	20.94	188.44	22% ↑	16	
Southeast TX	30.70	276.28	30.60	275.42	0% ↑	17.53	157.81	75% ↑	4	
Statewide	26.23	242.31	26.97	248.14	-3% ↓	19.05	171.47	38% ↑	20	
USFS	**	**	**	**	**	**	**	**	**	
Pulpwood	\$/ton	\$/cord	\$/ton	\$/cord	Chg	\$/ton	\$/cord	Chg	Number	
Northeast TX	7.64	21.38	10.88	30.47	-30% ↓	5.56	15.58	37% ↑	13	
Southeast TX	9.95	27.86	13.32	37.30	-25% ↓	4.29	12.02	132% ↑	13	
Statewide	9.82	27.51	12.59	35.25	-22% ↓	4.46	12.50	120% ↑	26	
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.

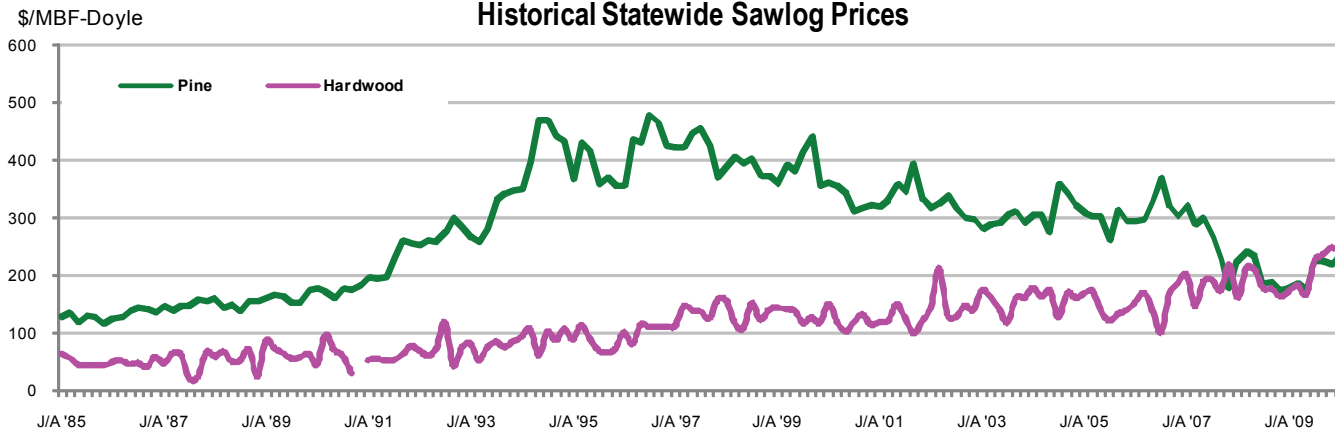
Sawlogs



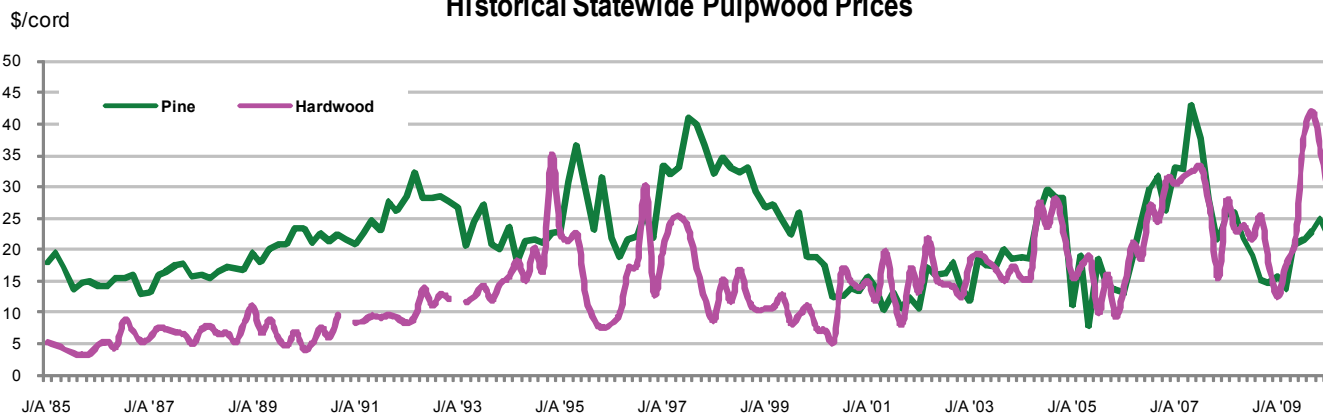
Pulpwood



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://txforestservicetamu.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://txforestservicetamu.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.