

TEXAS TIMBER PRICE TRENDS

Market Overview*

Pine sawlog markets remained slow. Pulpwood and hardwood sawlog prices declined due to favorable logging conditions and downward pressure from rising energy costs. Diesel prices soared 22 percent over the first four months of the year and 35 percent over a year ago. Despite the record high housing affordability and lower mortgage rate, home sales and housing starts were still not as strong as expected due to consumers' concern about home price falling further, their job status, qualification for a loan, and the trend of the general economy.

Statewide pine sawlog prices averaged \$24.77 per ton, 16 percent higher than the last period while 12 percent lower than the price a year ago. The average pine sawlog price was \$26.90 per ton for Northeast Texas and \$23.70 per ton for Southeast Texas.

The average pine pulpwood price was \$5.31 per ton statewide. This was 18 percent lower than the last period and 37 percent lower than the price a year ago.

Small diameter sawlog (CNS) prices averaged \$10.22 per ton, down 13 percent from the last period and 35 percent from a year ago.

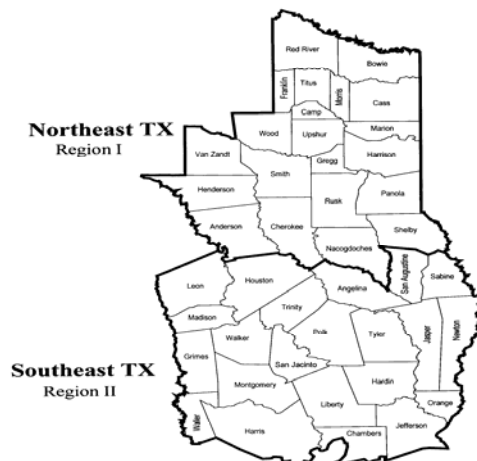
Hardwood sawlog prices averaged \$24.19 per ton statewide, 18 percent lower than the last period. This was 6 percent higher than last year.

The average hardwood pulpwood price dropped further to \$6.00 per ton. This was 22 percent lower than the last period and less than half of the price a year ago.

The U.S. inflation rate climbed to 3.2 percent by the end of April, mainly driven by higher energy and food prices. Middle East turmoil, rising demand from emerging Asian countries, and the Quantitative Easing programs implemented by the Federal Reserve all contributed to the increase.

The average prices reported here represent statewide transactions of 59,790 tons of pine sawlogs, 337,620 tons of pine pulpwood, 64,808 tons of pine CNS, 27,779 tons of mixed hardwood sawlogs, and 28,467 tons of hardwood pulpwood during March/April 2011.

Texas Timber Price Trends
Market Regions

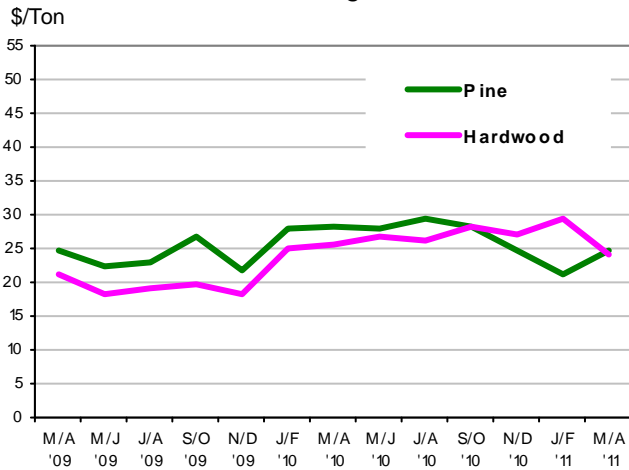


Stumpage Prices in Texas

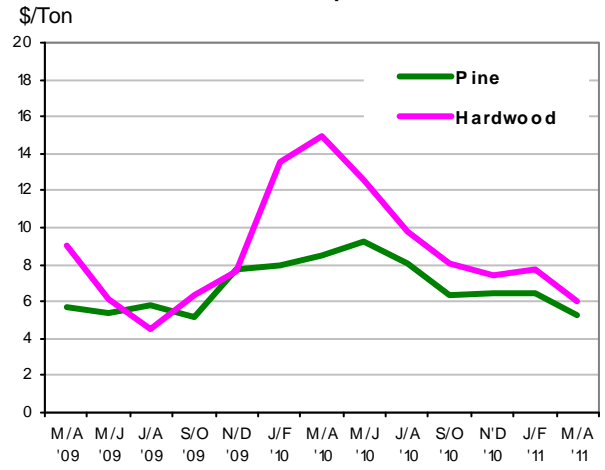
Product /Region	Average Price		Last Period			Year Ago			Report		
PINE											
Sawlogs	\$/ton	\$/MBF	\$/ton	\$/MBF	Chg		\$/ton	\$/MBF	Chg	Number	
Northeast TX	26.90	223.90	23.60	188.78	14%	↑	27.36	225.07	-2%	↓	27
Southeast TX	23.70	181.53	20.78	161.71	14%	↑	28.23	225.45	-16%	↓	7
Statewide	24.77	194.88	21.29	166.49	16%	↑	28.14	225.40	-12%	↓	34
USFS	23.37	186.94	16.40	131.18	43%	↑	**	**	**		3
Pulpwood	\$/ton	\$/cord	\$/ton	\$/cord	Chg		\$/ton	\$/cord	Chg	Number	
Northeast TX	5.14	13.83	6.55	17.69	-22%	↓	6.82	18.33	-25%	↓	50
Southeast TX	5.39	14.56	6.39	17.24	-16%	↓	9.85	26.61	-45%	↓	41
Statewide	5.31	14.34	6.48	17.49	-18%	↓	8.47	22.82	-37%	↓	91
USFS	2.75	7.44	1.96	5.29	40%	↑	**	**	**		3
Chip-N-Saw	\$/ton	\$/cord	\$/ton	\$/cord	Chg		\$/ton	\$/cord	Chg	Number	
Northeast TX	14.33	38.70	12.04	32.50	19%	↑	17.54	47.36	-18%	↓	3
Southeast TX	10.05	27.14	11.36	30.66	-12%	↓	15.65	42.26	-36%	↓	6
Statewide	10.22	27.61	11.70	31.58	-13%	↓	15.67	42.30	-35%	↓	9
HARDWOOD											
Mixed Sawlogs	\$/ton	\$/MBF	\$/ton	\$/MBF	Chg		\$/ton	\$/MBF	Chg	Number	
Northeast TX	21.30	194.58	26.65	239.82	-20%	↓	25.13	231.31	-15%	↓	24
Southeast TX	31.49	283.42	34.54	310.89	-9%	↓	29.29	263.65	8%	↑	6
Statewide	24.19	220.03	29.51	265.60	-18%	↓	25.68	235.67	-6%	↓	30
USFS	4.12	37.06	**	**	**		**	**	**		3
Pulpwood	\$/ton	\$/cord	\$/ton	\$/cord	Chg		\$/ton	\$/cord	Chg	Number	
Northeast TX	5.52	14.72	7.90	22.29	-30%	↓	14.37	40.64	-62%	↓	17
Southeast TX	6.76	18.93	7.40	20.72	-9%	↓	15.58	43.61	-57%	↓	11
Statewide	6.00	16.31	7.71	21.68	-22%	↓	14.91	41.97	-60%	↓	28
USFS	0.57	1.60	**	**	**		**	**	**		3

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.

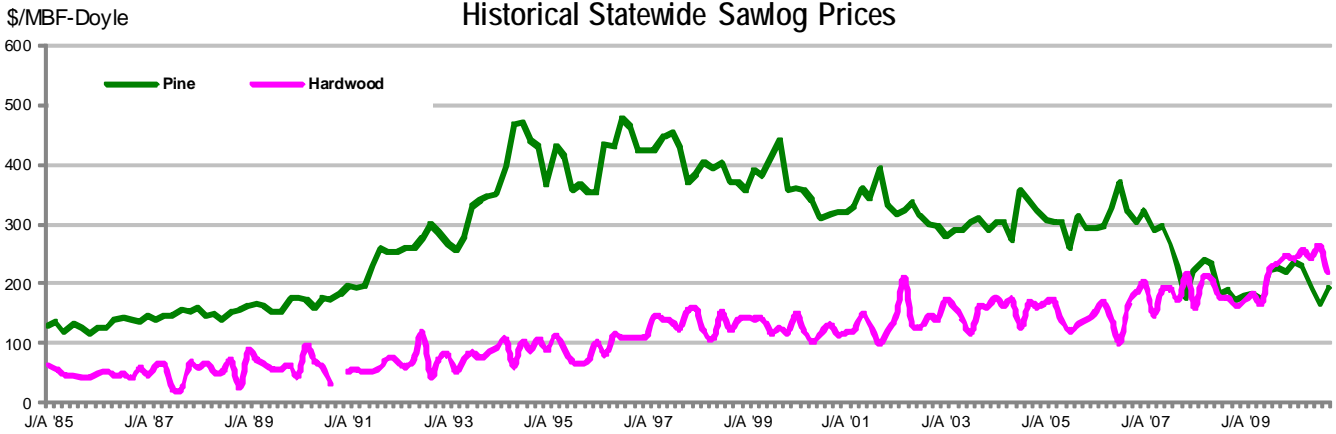
Sawlogs



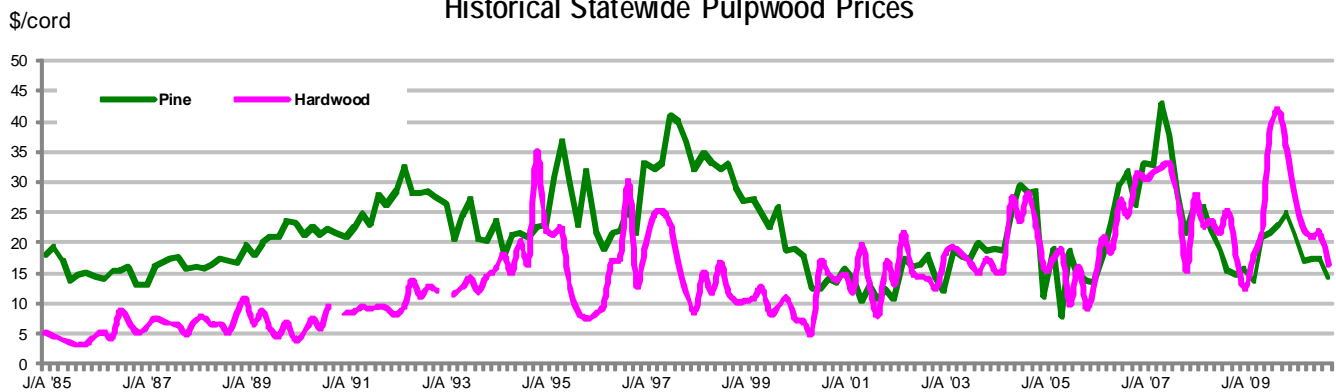
Pulpwood



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.