

TEXAS TIMBER PRICE TRENDS

Market Overview*

The U.S. economy grew an annual rate of 3.3% in the third quarter of 2017, compared to 3.1% in the second quarter. The U.S. Federal Open Market Committee recently decided to raise the federal funds rate by a quarter-point, setting the target range between 1.25 and 1.5%. This was the third quarter-point rate hike in 2017. U.S. housing starts in October soared by about 14% to a seasonally adjusted annual rate of 1.29 million units, which is still 2.9% below the October 2016 rate.

Except for pine pulpwood, average stumpage prices in Texas were up compared to last period. Statewide pine sawlog prices averaged \$25.69 per ton, up 2% from last period and up 6% from the price a year ago. Average pine sawlog price was \$25.65 per ton in Northeast Texas and \$25.75 per ton in Southeast Texas.

The statewide average pine pulpwood price was \$7.82 per ton. This was down 1% from last period and down 14% from the price a year ago. In Northeast Texas, the average pine pulpwood price was \$8.30 per ton. It was \$7.28 per ton in Southeast Texas.

Small diameter pine sawlogs (CNS) averaged \$10.89 per ton statewide, up 21% from last period. It was down 23% from the price a year ago.

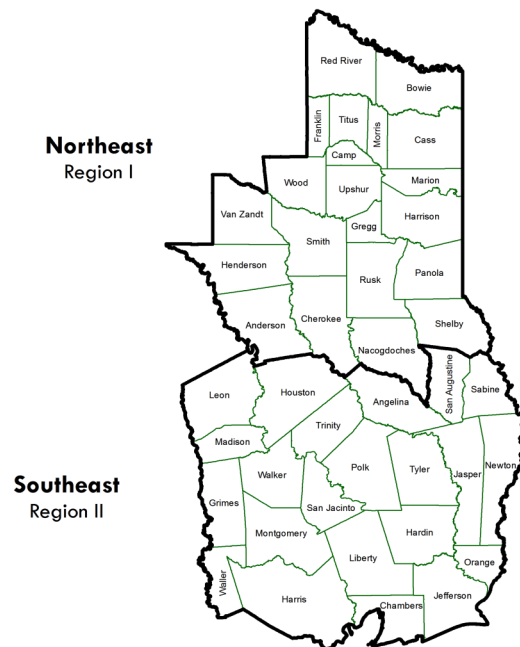
The statewide average mixed hardwood sawlog price was \$31.87 per ton, up 10% from last period and down 16% from the price a year

ago.

The statewide average hardwood pulpwood price was \$9.03 per ton, up 2% from last period. It was down 14% from the price a year ago.

*The average prices reported here represent statewide volumes of 117,844 tons of pine sawlogs, 268,029 tons of pine pulpwood, 64,540 tons of pine CNS, 12,809 tons of mixed hardwood sawlogs, and 19,329 tons of hardwood pulpwood during September/October 2017.

**Texas Timber Price Trends
Market Regions**



Stumpage Prices in Texas

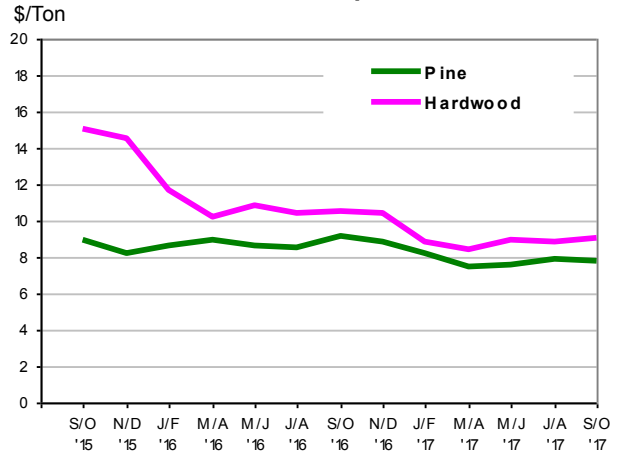
Product /Region	Average Price		Last Period			Year Ago			Report
PINE									
Sawlogs	\$/Ton	\$/MBF	\$/Ton	\$/MBF	Chg	\$/Ton	\$/MBF	Chg	Number
Northeast TX	\$25.65	\$202.01	\$25.76	\$206.08	0%	\$23.95	\$206.86	7% ↑	53
Southeast TX	\$25.75	\$190.89	\$24.85	\$183.10	4% ↑	\$26.97	\$215.09	-5% ↓	12
Statewide	\$25.69	\$197.07	\$25.29	\$193.75	2% ↑	\$24.34	\$207.99	6% ↑	65
USFS	**	**	**	**	**	**	**	**	**
Pulpwood	\$/Ton	\$/Cord	\$/Ton	\$/Cord	Chg	\$/Ton	\$/Cord	Chg	Number
Northeast TX	\$8.30	\$22.33	\$7.56	\$20.37	10% ↑	\$9.74	\$26.14	-15% ↓	53
Southeast TX	\$7.28	\$19.66	\$8.21	\$22.17	-11% ↓	\$7.99	\$21.58	-9% ↓	17
Statewide	\$7.82	\$21.07	\$7.89	\$21.28	-1% ↓	\$9.14	\$24.60	-14% ↓	70
USFS	**	**	**	**	**	**	**	**	**
Chip-N-Saw	\$/Ton	\$/Cord	\$/Ton	\$/Cord	Chg	\$/Ton	\$/Cord	Chg	Number
Northeast TX	\$13.20	\$35.63	**	**	**	\$15.19	\$41.00	-13% ↓	3
Southeast TX	\$10.84	\$29.27	\$8.99	\$24.26	21% ↑	\$12.00	\$32.39	-10% ↓	16
Statewide	\$10.89	\$29.39	\$9.00	\$24.30	21% ↑	\$14.13	\$38.16	-23% ↓	19
HARDWOOD									
Mixed Sawlogs	\$/Ton	\$/MBF	\$/Ton	\$/MBF	Chg	\$/Ton	\$/MBF	Chg	Number
Northeast TX	\$32.79	\$304.40	\$32.29	\$310.98	2% ↑	\$38.09	\$370.58	-14% ↓	22
Southeast TX	\$26.88	\$241.96	\$23.44	\$210.93	15% ↑	**	**	-27% ↓	9
Statewide	\$31.87	\$294.43	\$29.07	\$273.03	10% ↑	\$38.08	\$370.12	-16% ↓	31
USFS	**	**	**	**	**	**	**	**	**
Pulpwood	\$/Ton	\$/Cord	\$/Ton	\$/Cord	Chg	\$/Ton	\$/Cord	Chg	Number
Northeast TX	\$8.56	\$23.97	\$7.76	\$21.72	10% ↑	\$10.43	\$29.31	-18% ↓	18
Southeast TX	\$10.05	\$28.13	\$9.87	\$27.65	2% ↑	\$11.51	\$32.23	-13% ↓	9
Statewide	\$9.03	\$25.27	\$8.82	\$24.70	2% ↑	\$10.48	\$29.44	-14% ↓	27
USFS	**	**	**	**	**	**	**	**	**

1. Stumpage price statistics include gateway sales. Stumpage prices for gateway 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 changes are calculated based on price in ton.
7. Extreme outliers from reported data are detected and filtered out based on statistical methods.

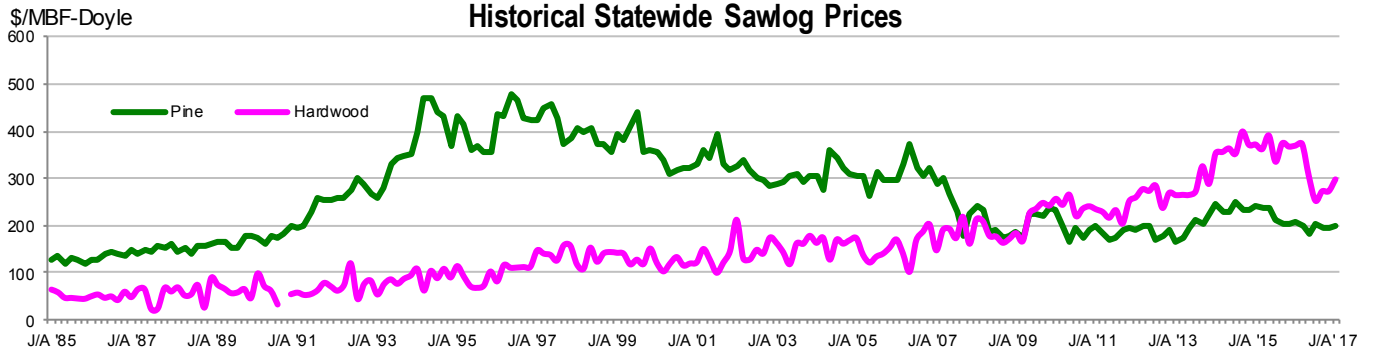
Sawlogs



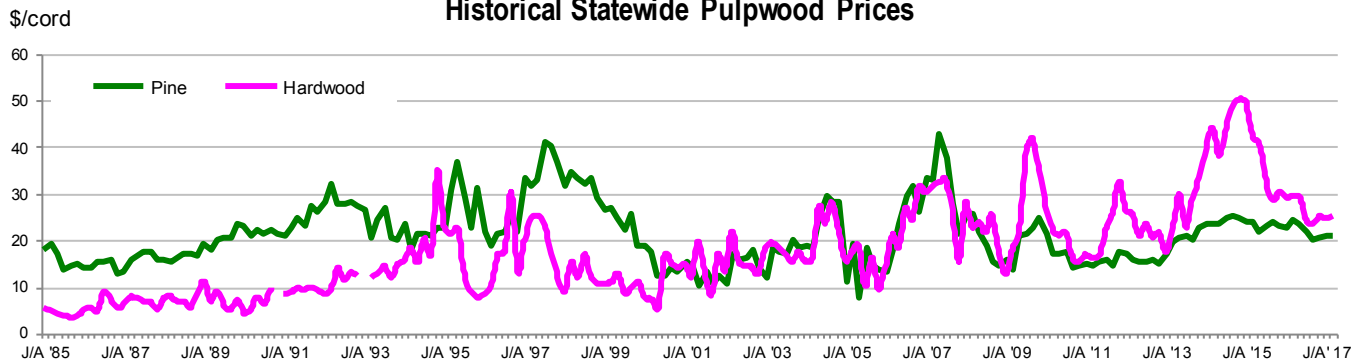
Pulpwood



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://tfsweb.tamu.edu/timberpricetrends/>



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 A&M Forest Service website at:

<http://tfsweb.tamu.edu/timberpricetrends/>

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.