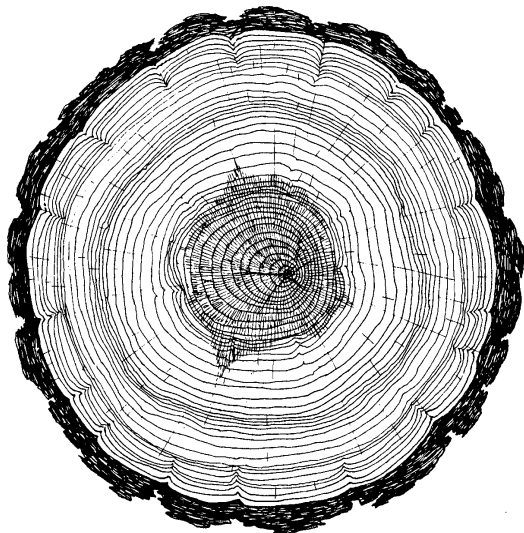


TEXAS TIMBER PRICE TRENDS



BIMONTHLY MARKET REPORT

VOL. 20 NO. 1

January/February 2002

T E X A S
FOREST  **SERVICE**
The Texas A&M University System

TEXAS TIMBER PRICE TRENDS

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 weighs 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 8 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.

COMMENTS

Pine Sawlog Market: Not Much Change from Last Period

Most of the pine sawlog stumpage prices from the reports that we received fell in the range of \$310-\$375/mbf (or \$39-\$47/ton), dependent upon "quality, size, operability, and location". There are 7 sales below \$300/mbf (or \$38/ton) price and 4 of the 7 sales were around \$240/mbf (or \$30/ton). Market was mainly driven by weather and supply was plenty. Large and old sawtimbers enjoyed good prices. The two highest prices were at \$450/mbf (\$56/ton) and \$425/mbf (\$53/ton). Overall at the regional level, pine sawlog prices (volume-weighted average) for NE was \$317/mbf (\$40/ton) and \$362/mbf (\$45/ton) for the SE, reversing the trend for the two regions from the last two months. The average price for the East Texas region was \$345/mbf (\$43/ton).

Pine Chip-N-Saw Price: Staying Low

Pine chip-n-saw stumpage price ranged from \$30/cord (\$11/ton) to \$50/cord (\$19/ton). The average stumpage price of chip-n-saw for NE based on 4 sales of 780 cords, was \$44/cord (\$17/ton). SE was even lower: \$38/cord (\$15/ton) from a total of 11 sales at 16,553 cords. Overall in East Texas chip-n-saw stumpage prices averaged at \$39/cord (\$15/ton). Throughout most of the latter half of the 90's, chip-n-saw stumpage prices have been over \$50/cord (\$19/ton).

Pine Pulpwood Price: Remaining Poor

Pine pulpwood stumpage prices hung around at \$8-18/cord (\$3-\$7/ton) "without improvement in the foreseeable future", according to our reporters. Of the 40 sales that we received, about half of them were sold at \$10/cord (\$4/ton) or less, which were mainly from the SE region. At some mills pine pulpwood was put on quota to buyers. Regional average stumpage price for pine pulpwood was \$15/cord (\$6/ton) for NE, \$9/cord (\$4/ton) for SE and \$13/cord (\$5/ton) for East Texas region.

Pole Stumpage Prices: Stable

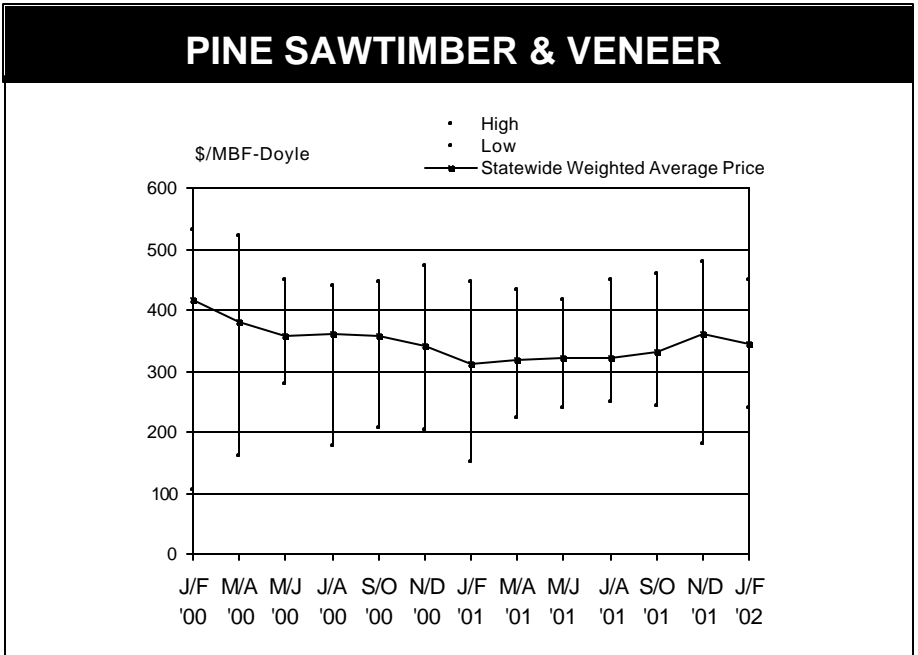
Stumpage prices of poles were ranging from \$65/ton to \$75/ton. "Bark pole prices are steady on long term contracts", commented by a pole user for utility business. He also added that "prices for gatewood pole timber has declined somewhat because of decline in sawtimber stumpage".

Hardwood Sawtimber Market: Strong

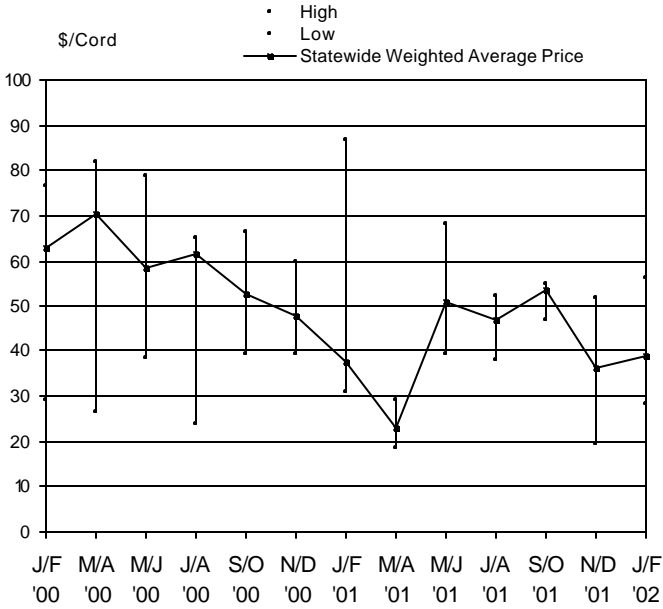
"Market demand for hardwood logs is strong", according to our reporter. Hardwood sawlog stumpage price was \$127/cord (\$14/ton) for East Texas in Jan/Feb period, almost the same for NE region (\$123/cord or \$14/ton). Hardwood sawlog price for SE was much higher, based on about 140 mbf sales, at \$146/cord (\$16/ton).

Hardwood Pulpwood Price: Good

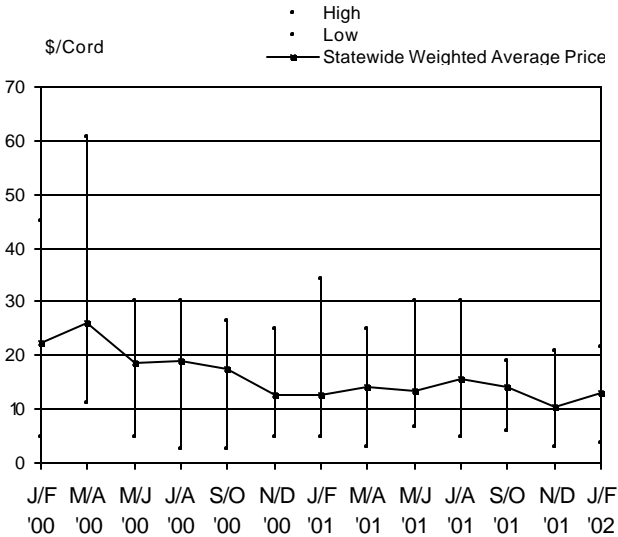
Hardwood pulpwood stumpage price was good for this period but it started to fall. East Texas region hardwood pulpwood stumpage price was \$13/cord (or \$5/ton) for Jan/Feb 2002 period, \$8/cord (\$1/ton) less than Nov/Dec 2001 period.



PINE CHIP-N-SAW



PINE PULPWOOD



TIMBER PRICE TRENDS IN TEXAS January/February 2002

03-Apr-02
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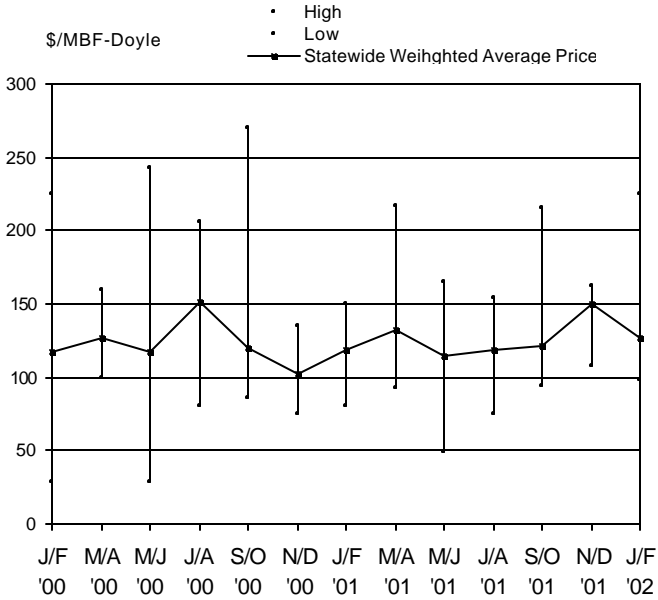
Product/Region	High		Low		Unweighted Average		Weighted Average(WA)		WA Last Period	WA 1 Year Ago	# of Sales Reported	Total Volume
	\$/MBF	\$/Cord	\$/MBF	\$/Cord	\$/MBF	\$/Ton	\$/MBF	\$/Ton	\$/MBF	\$/Cord		
PINE												
Sawlogs												
Northeast TX	424.57	7.50	240.00	7.50	337.13	42.14	317.40	39.67	374.38	318.02	18	5,289
Southeast TX	449.51	3.76	240.00	3.76	344.67	43.08	362.22	45.28	331.03	302.24	26	8,451
Statewide*	449.51	3.76	240.00	3.76	340.90	42.61	344.97	43.12	359.69	310.36	44	13,740
USFS	**	**	**	**	**	**	**	**	278.74	**	**	**
Pulpwood												
Northeast TX	21.49	15.27	7.50	15.27	14.99	6.00	15.27	6.11	15.50	11.77	19	9,096
Southeast TX	20.84	3.76	3.76	3.76	10.95	4.17	9.37	3.57	8.73	14.80	21	5,222
Statewide*	21.49	3.76	3.76	3.76	12.97	5.08	13.12	5.15	10.33	12.57	40	14,318
USFS	**	**	**	**	**	**	**	**	10.84	**	**	**
Chip-N-Saw												
Northeast TX	56.44	39.38	28.23	39.38	49.58	18.89	44.28	16.87	**	37.45	4	780
Southeast TX	55.00	28.23	28.23	28.23	42.85	16.32	38.46	14.65	36.32	**	11	15,773
Statewide*	56.44	28.23	28.23	28.23	46.21	17.60	38.73	14.76	36.32	37.45	15	16,553
USFS	**	**	**	**	**	**	**	**	**	**	**	**
HARDWOOD												
Sawlogs												
Northeast TX	225.00	8.78	98.18	8.78	135.53	15.06	122.60	13.62	**	123.21	8	669
Southeast TX	175.00	4.46	101.82	4.46	133.06	14.78	146.12	16.24	**	102.28	5	139
Statewide*	225.00	4.46	98.18	4.46	134.29	14.92	126.65	14.07	150.07	119.27	13	808
USFS	**	**	**	**	**	**	**	**	**	**	**	**
Pulpwood												
Northeast TX	22.28	8.78	8.78	8.78	13.75	4.91	12.75	4.55	19.75	17.20	11	3,138
Southeast TX	34.00	4.46	4.46	4.46	14.54	5.19	11.53	4.12	**	15.84	6	554
Statewide*	34.00	4.46	4.46	4.46	14.14	5.05	12.56	4.49	19.75	16.86	17	3,692
USFS	**	**	**	**	**	**	**	**	**	**	**	**

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

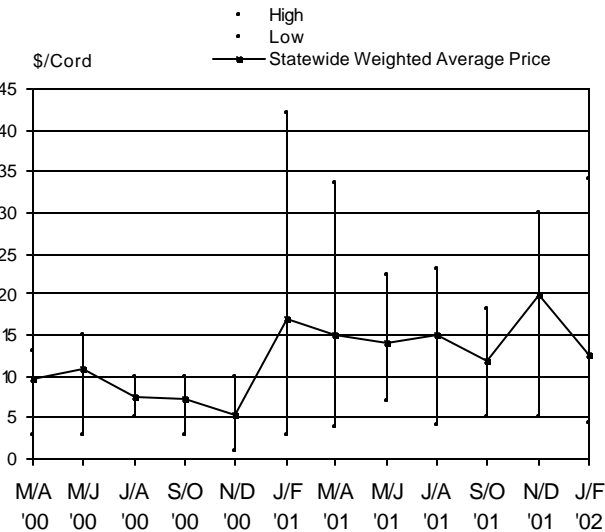
*Statewide data excludes U.S. Forest Service sales

**Insufficient sale activity to report price statistics (less than three reported sales).

HARDWOOD SAWTIMBER & VENEER



HARDWOOD PULPWOOD

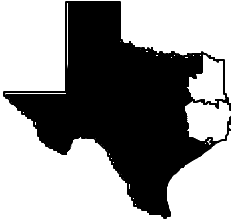


TEXAS ANNUAL STATEWIDE AVERAGE STUMPAGE PRICES

Year	Pine			Hardwood	
	Sawlog \$/MBF-Doyle	Chip-N-Saw \$/Cord	Pulpwood \$/Cord	Sawlog \$/MBF-Doyle	Pulpwood \$/Cord
1984	170.53	30.85	23.48	54.61	4.03
1985	129.87	28.35	18.46	54.79	5.13
1986	127.45	23.68	14.53	46.16	4.18
1987	142.59	22.53	15.28	55.46	6.78
1988	152.31	24.88	16.33	64.93	6.59
1989	156.32	26.25	18.45	69.48	9.27
1990	163.34	30.12	22.17	62.20	6.03
1991	189.33	29.71	22.59	53.83	9.09
1992	252.26	39.39	27.98	67.04	10.10
1993	283.80	39.46	26.89	80.67	12.76
1994	358.03	47.81	22.75	93.77	15.57
1995	438.36	62.96	27.26	105.17	28.65
1996	395.46	59.18	25.25	88.28	10.78
1997	441.75	73.39	28.61	132.20	25.20
1998	414.51	76.40	37.01	138.75	14.41
1999	382.86	68.44	28.95	139.44	12.24
2000	376.57	57.69	19.20	120.88	7.97
2001	325.14	42.06	12.94	120.32	15.11
2002.1	344.97	38.73	13.12	126.65	12.56

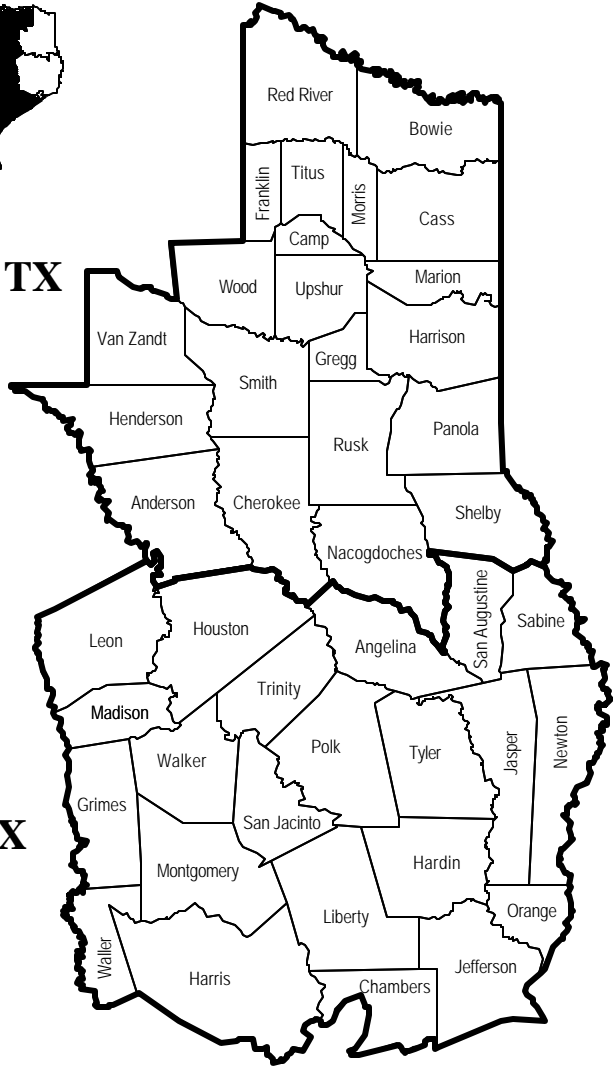
Texas Timber Price Trends

Market Regions



Northeast TX
Region I

Southeast TX
Region II



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 Cubic Feet.

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 Cubic Feet = 1 Cord
Hardwood - 80 Cubic Feet = 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 of \$10 per year. To subscribe, please send your request and check or money order (payable to "Texas Forest Service") to:

Attn: Texas Timber Price Trend
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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).

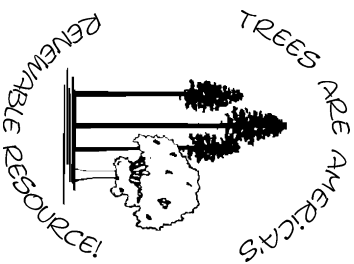
For more information, call (979)458-6650.

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.

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