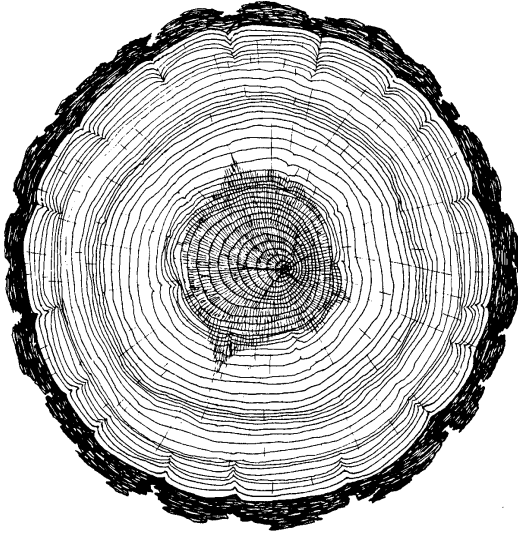


\$2.00

# TEXAS TIMBER PRICE TRENDS



**BIMONTHLY MARKET REPORT**

**VOL. 18 NO. 6**

**November/December 2000**

**T E X A S**  
**FOREST**  **SERVICE**  
Sustaining the American Dream

# TEXAS TIMBER PRICE TRENDS

## *How to Use This Report*

### **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 weights 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 14 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

Prices of all timber products for Nov/Dec period dropped like a rock to the lowest level in years. The only exception is the price for poles, which remains steady between \$65-70/ton, according to our price reporter. Market collapsed at year end due to slowing economy and poor lumber market. One of the mill manager in the southeast region told our reporter that they were buying wood at \$260-270/mbf, delivered or contracted. Recent rains may help the price upward. The ice storm around the Christmas time of 2000 in Bowie, Red River, and northern Cass Counties is however expected to bring down price through salvage sales.

### **Average Prices for Pine Products**

Statewide volume-weighted average price for pine sawlogs was \$340/mbf (or 43/ton), a record low level. Statewide volume-weighted average price for pine pulpwood was only \$12/cord, the lowest in the last 16 years since this price report started. It dropped one-third of its price from last period (at \$18/cord) and is less than half of its price at the same period of last year (\$25/cord). Similarly, price for pine chip-n-saw (statewide volume-weighted average) was only \$48/cord (or 18/ton), a dramatic price decline from a year-ago price at \$66/cord (or 25/ton).

### **Average Prices for Hardwood Products**

The price for hardwood sawlog for the last two months of 2000 was only \$102/mbf (or 11/ton) by statewide volume-weighted average measurement. This is the lowest price we reported since Nov/Dec 1996. The statewide volume-weighted average price for hardwood pulpwood was \$5/cord (or 2/ton).

### **Interpreting Prices in This Report**

Price movement covered in this report can be a good reference for market trend in general. However, due to the fact that this report only cover a relatively small portion of the overall timber market in East Texas, the prices reported tend to be on the high side. This may be because our reporting sources were mainly from stumpage sales/purchase by industry or with help from professional consultants. The stumpage prices associated with delivered wood by independent loggers

were largely unavailable and therefore are not well-represented in this report. Delivered wood can be a large part of the overall market for many local area. The overall market price, taking into account of delivered wood, could be somewhat lower than prices reported here.

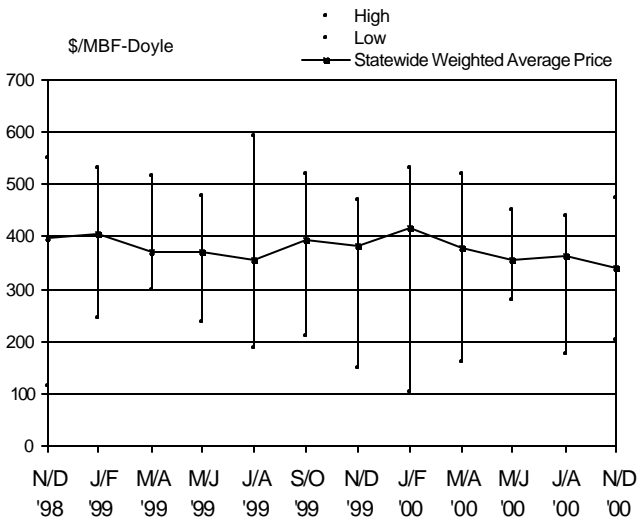
### Ice Storm Recovery Webpage

The Texas Forest Service has set up a webpage providing information on how to deal with ice storm damaged timberland. It's available under <http://txforestsERVICE.tamu.edu> and under "Landowner Assistance" category. The information addresses a variety of problems: assessing damage, how to know what kind of trees can still be saved, conducting salvage sale, considering replanting, pest management, and tax treatment of casualty losses.

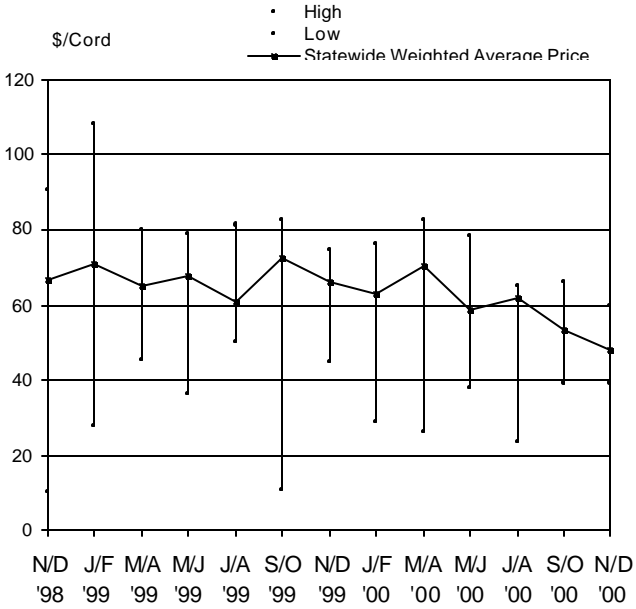
### Timberland Property Tax

If you reforested your land this year, don't forget to apply for reduced property tax incentive to your local appraisal office if you have not done so. The deadline is April 30 in general. Similar incentive is available to special forest zones in your timberland. See more info at Texas Forest Service webpage at <http://txforestsERVICE.tamu.edu> and under "Landowner Assistance" .

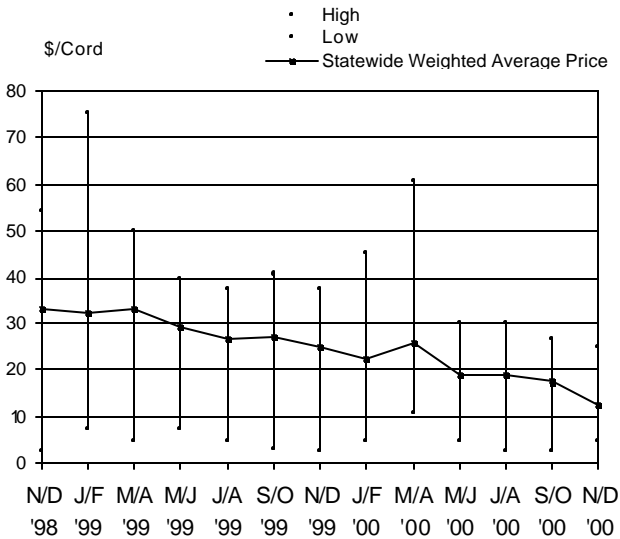
## PINE SAWTIMBER & VENEER



# PINE CHIP-N-SAW



# PINE PULPWOOD



# TIMBER PRICE TRENDS IN TEXAS

## November/December 2000

27-Jan-01  
Volume 18, No. 6

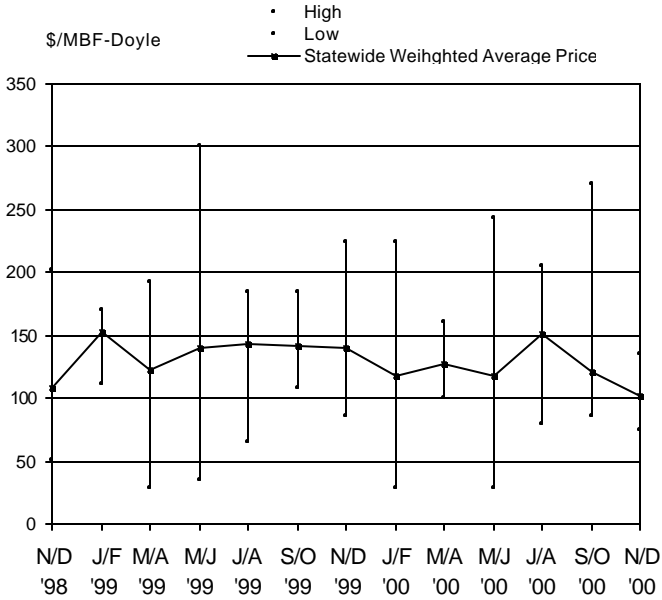
Product/Region	High		Low		Unweighted Average		Weighted Average(WA)		WA Last Period		WA 1 Year Ago		# of Sale Reported		Total Volume	
	\$/MBF	\$/Cord	\$/MBF	\$/Cord	\$/MBF	\$/Ton	\$/MBF	\$/Ton	\$/MBF	\$/Cord	\$/MBF	\$/Cord	\$/MBF	\$/Cord		
<b>PINE</b>																
<b>Sawlogs &amp; Veneer</b>																
Northeast TX	437.05		280.00		350.11	43.76	362.03	45.25	344.39	409.87				18	5,149	
Southeast TX	472.78		203.22		344.38	43.05	328.39	41.05	369.84	372.10				22	9,008	
Statewide*	472.78		203.22		347.24	43.41	340.63	42.58	357.23	382.26				40	14,157	
USFS	**		**		**	**	**	**	**	**				**	**	
<b>Pulpwood</b>																
Northeast TX	18.00		5.00		13.92	5.57	10.73	4.29	16.50	25.12				13	9,077	
Southeast TX	25.00		7.00		12.97	4.94	15.09	5.75	18.70	24.98				19	6,055	
Statewide*	25.00		5.00		13.45	5.26	12.48	4.89	17.64	25.03				32	15,131	
USFS	**		**		**	**	**	**	**	**				**	**	
<b>Chip-N-Saw</b>																
Northeast TX																
Southeast TX																
Statewide*																
USFS																
<b>HARDWOOD</b>																
<b>Sawlogs &amp; Veneer</b>																
Northeast TX	135.00		100.00		120.61	13.40	118.90	13.21	131.42	145.24				4	164	
Southeast TX	120.00		74.91		92.27	10.25	97.94	10.88	105.51	126.10				8	626	
Statewide*	135.00		74.91		106.44	11.83	102.28	11.36	120.31	140.09				12	789	
USFS	**		**		**	**	**	**	**	**				**	**	
<b>Pulpwood</b>																
Northeast TX	10.00		5.61		8.72	3.11	9.07	3.24	7.11	11.73				5	1,308	
Southeast TX	9.10		1.00		5.14	1.84	4.27	1.53	7.18	14.07				11	5,350	
Statewide*	10.00		1.00		6.93	2.48	5.22	1.86	7.15	12.76				16	6,658	
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

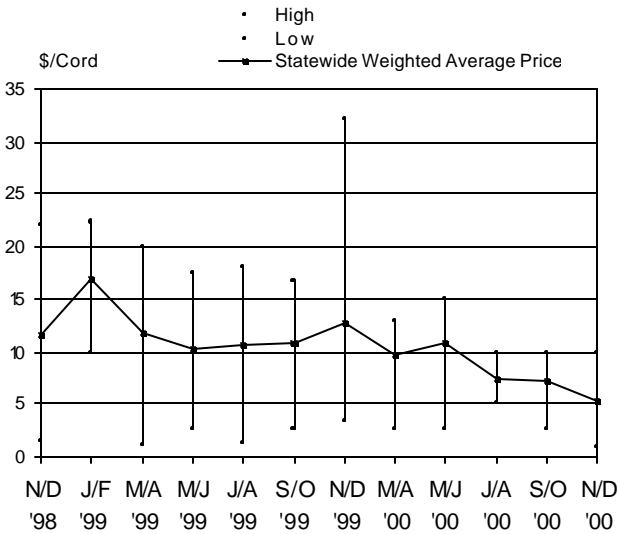
\*Statewide data excludes U.S. Forest Service sales

\*\*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	Chip-N-Saw	Pulpwood	Sawlog	Pulpwood
	\$/MBF-Doyle	\$/Cord	\$/Cord	\$/MBF-Doyle	\$/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
2000.1	415.40	62.95	22.47	117.25	8.26
2000.2	379.98	70.69	25.99	127.27	9.64
2000.3	356.52	58.53	18.72	117.87	10.98
2000.4	361.63	61.75	18.90	151.04	7.38
2000.5	357.23	53.07	17.64	120.31	7.15
2000.6	340.63	47.92	12.48	102.28	5.22
2000	376.57	57.69	19.20	120.88	7.97



# 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 Cu.Ft.

### 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 Cu.Ft. = 1 Cord  
Hardwood - 80 Cu.Ft. = 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 for \$10 per year. To subscribe, please send your request and check or money order to:

Texas Forest Service  
301 Tarrow Suite 364  
College Station, TX 77840-7896

This publication is also available free of charge on Texas Forest Service website: <http://txforestsERVICE.tamu.edu/tfshome/manage/tppt.htm>

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

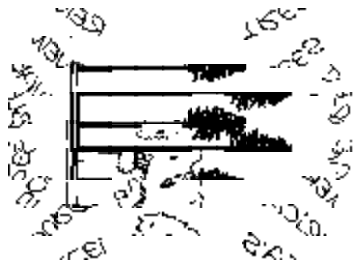
## WANT TO BE A REPORTER?

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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