



PRESS RELEASETimber Mart - South

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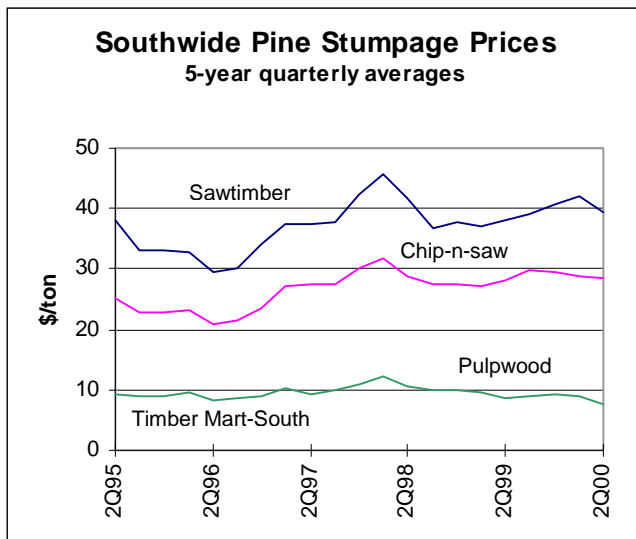
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Pine Prices Down, Hardwood Prices Up

“Supply is high” began the typical report this quarter, but the eastern areas saw pine mill inventories drop and prices increase. Hardwood pulpwood prices recovered in most markets while hardwood sawtimber moved higher.

Pine sawtimber stumpage southwide average was \$38.78 per ton, down \$0.69 from last quarter (1.7%) and down \$0.16 from last year (0.4%). Wet logging conditions drove VA and NC prices higher. With price gains in all major products, VA had pine sawtimber bringing its highest recorded prices since its 2nd quarter 1998 peak, well above its 5-year average.



Meanwhile, low lumber prices and dry logging conditions drove down prices across the SE, hitting AL, AR, MS, LA, and GA especially hard. GA showed the steepest average pine sawtimber price drop in the SE for the year. Excellent logging and plenty of wood on the market gave GA a quarterly drop for all pine product prices. GA prices remained above the SE average, but reporters expressed alarm at

pine stumpage products selling below their 5-year average.

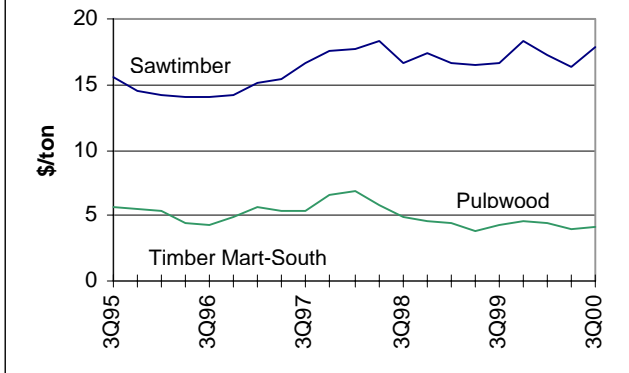
Chip-N-Saw over-supply had mills reducing operating hours and prices. The pine chip-n-saw stumpage southwide average at \$27.25 per ton, was down \$1.07 from last quarter (3.8%) and down \$2.50 from last year (8.4%). Here again, logging conditions brought higher prices to NC and VA, with NC prices nearly reaching its 4th quarter 1999 high. In contrast, AR, already well below the SE average, saw prices decline to near their 5-year low in both chip-n-saw and pine pulpwood.

With exception of the Eastern Seaboard (VA, NC, and SC), pine pulpwood markets saw prices drop across the region with the pine pulpwood stumpage southwide average at \$7.20 per ton, down \$0.45 from last quarter (5.9%) and down \$1.59 from last year (18.1%). Reports said many mills announced price reductions. Pine pulpwood prices dropped moving westward so that GA, LA, MS and AR prices all hit 5-year lows. VA prices, maintaining 5-year highs for the last three quarters, led the SE region along with FL while NC and SC prices remained stable.

In general, hardwood prices rose this quarter and the mixed hardwood sawtimber stumpage southwide average was \$17.89 per ton, up \$1.55 from last quarter (9.5%) and up \$1.24 from last year (7.4%). Prices showed significant improvement in AL, GA, MS, NC, and VA. In addition, reporters commented that red oak moved well in most markets. Eastern markets showed more strength than those further west but AL prices continued to be the highest in the SE, surpassing their 1998 peak. GA, NC and VA prices ran near 5-year highs in strong markets while AR, LA and TN markets continued down from higher prices two years ago.

Hardwood pulpwood prices also increased across the SE this quarter. The hardwood pulpwood stumpage southwide average was \$4.09 per ton, up \$0.05 from last quarter (1.4%) but down \$0.15 from last year (3.6%).

Southwide Hardwood Stumpage Prices 5 year quarterly averages



In general, hardwood pulpwood prices have been below the 5-year average for two years.

Again, exceptionally wet weather drove up prices in VA and NC. The newly opened Port Wentworth, GA mill along with higher world-wide bleached hardwood pulp prices, provided support for higher hardwood pulpwood prices. FL, GA, MS, SC, TN and TX saw prices increase while the already high AL prices remained relatively stable. AR and LA markets proved even weaker for hardwood pulpwood than for sawtimber with quarterly prices decreasing 10% to 5-year lows.

Timber Mart-South is a 25-year old price reporting service publishing quarterly reports used by private companies, consultants, landowners, and others to assess market prices in the Southern, U.S. The University of Georgia, Warnell School of Forest Resources is under contract with the Frank Norris Foundation to compile and publish Timber Mart-South quarterly reports (706) 542-4756.

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