



PRESS RELEASETimber Mart - South

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Sawtimber Prices Up, Pine Pulpwood Still Low

At Timber Mart-South, we lament the tragic events of September 11 and its aftermath and the lasting effect on its victims. Economic uncertainty due to warfare, biological terrorism and indications of recession appears to affect timber markets, even if indirectly. Random Lengths reports caution among lumber buyers. The National Association of Home Builders, noting that weekly claims for unemployment insurance have moved up to the highest level since the 1990 - 1991 recession and housing permit issuance dropped in September, predict no growth in the housing sector in the 4th Quarter. Paper and box manufacturers continue to curtail production due to declining demand.

3rd Quarter pine sawtimber and chip-n-saw stumpage markets strengthened slightly, but pine pulpwood stumpage prices continued downward to 10-year lows as oversupply continued. Demand for hardwood stumpage increased, raising prices in nearly all markets.

keeping prices low. Some Arkansas landowners pulled log sales off the market to wait for better prices. Texas pine sawtimber stumpage markets ranged from stable to "great for high quality." Both Louisiana and Texas reporters called improvement in hardwood markets a temporary early-winter build-up at the mills. Louisiana and Arkansas had reports of a scarcity of logging contractors.

Northern Mississippi had higher pine sawtimber stumpage prices this quarter and northern Alabama had some Southern Pine Bark Beetle (SPB) stained sawtimber bring \$40 per ton. South-wide, pine pulpwood thinnings have driven prices lower but wet weather kept mid-south mill inventories low.

Florida markets improved in spite of suffering from a record level SPB infestation with salvage efforts extending into residential areas. The pine pulpwood oversupply affected sawmill production by making residual chips hard to move. Georgia markets improved, too, but one reporter said, "Owners wanting to give away first thinnings had no takers." Quotas continue and at least three coastal mills have severely cut pulp production.

SPB infestations still plague Tennessee, southern Kentucky, Virginia and the Carolinas. In general, stumpage prices increased in the Atlantic coastal areas, reflecting the landowners' unwillingness to sell at low prices and mills' tight inventory management.

Timber Mart-South is a 20-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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Southeastern Average Stumpage Prices					
	Prices \$/ton			Year ago	
	3Q 01	2Q 01	3Q 00	up/dn	prcnt
Pine Sawtimber	\$35.19	\$34.28	\$38.78	(\$3.59)	(9%)
Pine Chip-n-saw	\$23.44	\$23.31	\$27.25	(\$3.81)	(14%)
Pine Pulpwood	\$6.40	\$6.53	\$7.20	(\$0.80)	(11%)
Hardwood Sawtimber	\$19.03	\$18.70	\$17.89	\$1.14	6%
Hardwood Pulpwood	\$5.20	\$5.07	\$4.09	\$1.11	27%

Depressed pine pulpwood stumpage prices provoked one Louisiana reporter to say, "No light at the end of the tunnel." The last of the Arkansas USFS ice storm sales were underway,