



# PRESS RELEASE .....Timber Mart - South

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## Pine Prices Continue Down, Hardwood at Record Levels

Most southeastern markets showed very little enthusiasm for pine this quarter. A year ago, most reporters told Timber Mart-South that they were getting the best sawtimber prices of the year, if not the decade. Not so this quarter, as southeastern average stumpage prices for pine sawtimber and pine chip-n-saw dropped to \$36 USD per ton and \$26 USD per ton, respectively, the lowest prices of 2000. Average pine pulpwood stumpage prices showed continued weakness this quarter. At close to \$7 USD per ton, prices were nearly the lowest since 1991.

Mixed hardwood sawtimber markets showed a sustained demand for tulip poplar as well as oak, with average stumpage prices ending the year at over \$18 USD per ton, a new all-time high. Meanwhile, average hardwood pulpwood stumpage prices hit five-year lows near \$4 USD per ton, prices near those of 1994.

### Southeastern Average Stumpage Prices

	Prices \$/ton			year ago	
	4Q 00	3Q 00	4Q 99	up/dn	prcnt
Pine Sawtimber	\$36.21	\$38.78	\$40.80	(\$4.59)	(11%)
Pine Chip-n-saw	\$25.88	\$27.25	\$29.41	(\$3.53)	(12%)
Pine Pulpwood	\$7.22	\$7.20	\$9.43	(\$2.21)	(23%)
Hardwood Sawtimber	\$18.55	\$17.89	\$18.29	\$0.26	1%
Hardwood Pulpwood	\$4.03	\$4.09	\$4.56	(\$0.53)	(12%)

Forest product companies used mill closures and curtailments all year to adjust inventories. Cut-backs increased towards year-end as companies warned of reduced earnings, especially in lumber and container divisions.

Reporters blamed excessive wood on the market for the lower prices.

- Drought made for excellent logging conditions.
- CRP thinning operations put extra tons of pine pulpwood on the market.
- Pine bark beetle infestations brought even more wood to market.

Individual stumpage markets in the southeast varied widely. In most markets, pine traded below local five-year average prices. Exceptions were North Carolina and Virginia, where pine markets were stronger. Both sawtimber and chip-n-saw prices exceeded local five-year averages. In Texas, reporters credited a logger shortage for a firmer pine sawtimber market.

Six out of the eleven states in the TMS survey had pine pulpwood stumpage prices near their five-year lows this quarter. Only Virginia, with prices close to the high set in 1<sup>st</sup> Quarter 2000, showed a strong market for pine pulpwood. Alabama, Arkansas and Louisiana had hardwood pulpwood prices at local five-year lows. Georgia and North Carolina maintained stronger hardwood pulpwood markets with prices above their local five-year average.

Strong markets for hardwood sawtimber stumpage lifted nine out of eleven state average prices above their local five-year averages. Prices in both Mississippi and North Carolina hit record highs. Reporters said that for many timber sales, the hardwood sawtimber stumpage, previously considered inconsequential, made a significant difference in the sale price.

For trends, see five-year graphs of southeastern average quarterly prices at:

[www.forestry.uga.edu/warnell/tmart/prices.html](http://www.forestry.uga.edu/warnell/tmart/prices.html)

*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.*