



PRESS RELEASETimber Mart - South

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1st Quarter 2002

For Immediate Release

Date: April 22, 2002

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Pine Sawtimber Recovers, Hardwood Pulpwood Down

Region-wide the most significant changes in 1st Quarter 2002 average stumpage prices were in pine sawtimber (up 1% from the previous quarter) and hardwood pulpwood (down 2%). Pine pulpwood remained in oversupply although average stumpage prices rose slightly over last quarter.

Compared to 1st Quarter 2001, prices for four out of the five major timber products have risen significantly. (See Table 1.) Average pine pulpwood prices were down 7% from a year ago while hardwood pulpwood stumpage prices rose 10% and rival pine prices in some markets.

AR. TX & LA

In the central South, pine sawtimber stumpage prices increased in all but northern Arkansas. Texas and southern Arkansas also had higher chip-n-saw prices over last quarter. In Arkansas, even pine pulpwood stumpage prices increased. More than one reporter stated that heavier rainfall this quarter increased competition on "wet weather" tracts.

MS & AL

Average stumpage prices rose for all major timber products except pine chip-n-saw in both Mississippi and Alabama this quarter. Chip-n-saw prices declined sharply in northern markets offsetting small gains in the south. Though reporters said that pine pulpwood quotas remained tight, prices remained at previous levels or even improved slightly. Several reporters expressed concern over market uncertainty. I-P closed its Morton MS sawmill and several pulp mills curtailed production. Reporters also mentioned wood yard closures tighter mill specifications as markets "dwindled."

GA & FL

Average stumpage prices rose in nearly all Florida markets this quarter. In spite of signs

that markets were strengthening, some reporters said that they withheld sales for lack of adequate bids. Some mills complained their margins were too low. Markets were weaker in Georgia, especially in the Piedmont. Average hardwood stumpage prices increased in southern Georgia as did pine chip-n-saw. Pine sawtimber remained about the same as last quarter. Reporters in both states remarked that excess sawmill residuals as well as pulp mill downtime hurt pine pulpwood prices.

NC, SC, TN & VA

Pine sawtimber stumpage prices rose in both Tennessee and Virginia this quarter. Red oak and poplar demand picked up in Tennessee. Coastal Virginia hardwood sawtimber stumpage prices increased significantly, a "bright spot" according to one reporter. South Carolina stumpage prices declined in nearly all markets with southern pine beetle activity "complicating" an already flooded pine market, according to one source. North Carolina had similar oversupply conditions. Pine sawtimber stumpage prices, which had hit near-record levels last quarter, dropped due to increased beetle damage and dry weather.

Table 1: Southeastern Average Stumpage Prices

	Prices \$/ton			year ago	
	1Q 02	4Q 01	1Q 01	up/dn	prcnt
Pine Sawtimber	\$36.31	\$35.95	\$34.11	+\$2.20	+6.4%
Pine Chip-n-saw	\$23.50	\$23.72	\$22.53	+\$0.97	+4.3%
Pine Pulpwood	\$6.24	\$6.20	\$6.73	-\$0.49	-7.3%
Hardwood Sawtimber	\$18.68	\$18.61	\$17.66	+\$1.02	+5.8%
Hardwood Pulpwood	\$5.06	\$5.16	\$4.60	+\$0.46	+10.0%

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