



## PRESS RELEASE

## Timber Mart - South

Daniel B. Warnell School of Forest Resources • The University of Georgia  
Athens, Georgia 30602-2152

3rd Quarter 2003

### For Immediate Release

Date: November 10, 2003

Contact: Tom Harris, (706) 542-2832

Writer: Sara Baldwin, (706) 542-4760

### Pulpwood Prices Up, Hardwood More Than Pine

The south-wide average hardwood pulpwood stumpage price rose above pine pulpwood this quarter, eliminating the traditional pine-over-hardwood premium. (See chart.) Hardwood pulpwood prices increased over 55 percent from a year ago, up \$2.64 per ton. Most markets reported some strengthening, with wet weather and tight inventories given credit for the price increases.

Pine pulpwood stumpage prices in the South averaged 20 percent higher in the 3<sup>rd</sup> Quarter than the same period last year, up \$1.18 per ton.

Heavy precipitation in the early part of the year had pulp mills throughout the South concerned for their winter supply of hardwood pulpwood and a few chose to import chips from outside the South to augment supply.

Four mills ordered about 55 thousand tons of hardwood chips from Nova Scotia or Brazil for testing. Rayonier, one of the companies ordering chips from Nova Scotia, also purchased a hardwood chip mill in Jarratt VA this quarter. The company expects the facility to supply up to 15 percent of the hardwood chip needs of Rayonier's Performance Fibers mill in Jessup GA via rail lines.

In 2002, southeastern pulp mills purchased 56.5 million tons of hardwood so the current imports are only a very small fraction of the local supply. The estimated high cost of these imports suggests that the mills consider the fiber supply shortage an important issue.

### Sawimber Prices

Mixed hardwood sawtimber stumpage broke through the \$20 per ton level for the first time this quarter. Prices have continued to rise all year, partly driven by weather-related supply shortages and partly driven by strong hardwood lumber markets. Year-to-date, the Producer Price Index (PPI) for hardwood lumber is up more than 5 percent from last year and above record levels set in 2000.

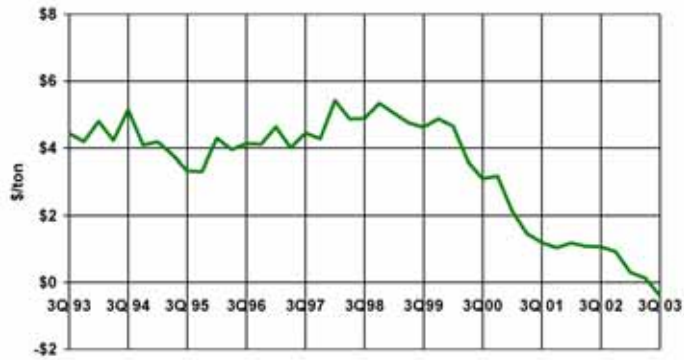
Pine sawtimber stumpage prices declined, falling back to the lower levels set in 2001. Even though lumber prices moved up in September, reporters said that mills were holding down log prices and some landowners were holding tracts off the market. Pine chip-n-saw prices increased this quarter, recovering from low prices a year ago but remaining essentially flat since mid-2001.

| South-wide Average Stumpage Prices \$/ton |             |         |        |          |        |
|---|-------------|---------|--------|----------|--------|
|   | one quarter |         |        | Year ago |        |
|   | 3Q 03       | 2Q 03   | %Δ     | 3Q 02    | %Δ     |
| <b>Pine Sawtimber</b>                     | \$34.39     | \$36.38 | -5.5%  | 36.13    | -4.8%  |
| <b>Pine Chip-n-saw</b>                    | \$22.60     | \$22.29 | +1.4%  | 21.99    | +2.8%  |
| <b>Pine Pulpwood</b>                      | \$6.97      | \$6.62  | +5.3%  | 5.79     | +20.4% |
| <b>Hardwood Sawtimber</b>                 | \$20.29     | \$19.59 | +3.6%  | 19.20    | +5.7%  |
| <b>Hardwood Pulpwood</b>                  | \$7.36      | \$6.49  | +13.4% | 4.72     | +55.9% |

For more information, please contact TMS at 706-542-4756 or visit our web site at [www.TimberMart-South.com](http://www.TimberMart-South.com)

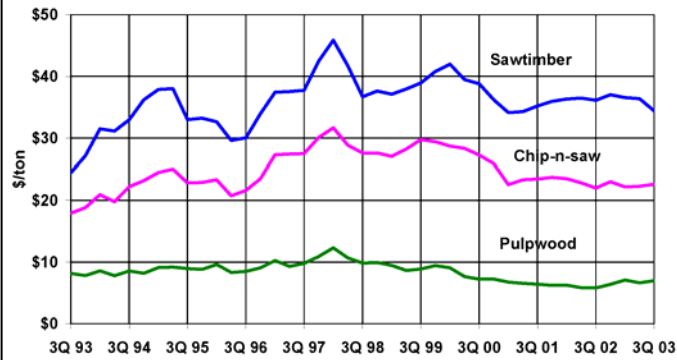
*Timber Mart-South is a 26-year-old price reporting service publishing quarterly reports used by private companies, consultants, landowners, and others to assess market prices in the Southern, U.S. The University of Georgia, Warnell School of Forest Resources is under contract with the Frank Norris Foundation to compile and publish Timber Mart-South quarterly reports.*

**South-wide Pine-to-Hardwood Pulpwood Premium  
quarterly averages over 10 years**



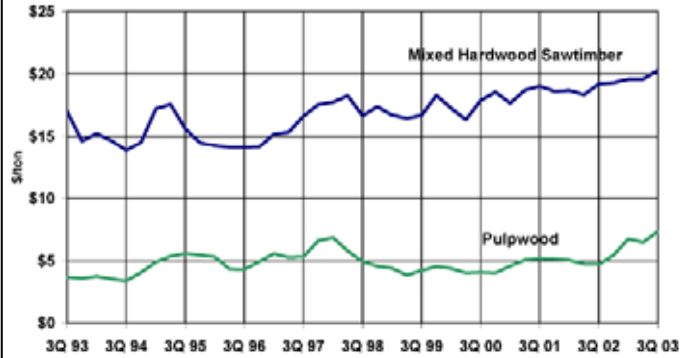
Timber Mart-South

**South-wide Pine Stumpage Prices  
quarterly averages over 10 years**



Timber Mart-South

**South-wide Hardwood Stumpage Prices  
quarterly averages over 10 years**



Timber Mart-South