

TEXAS TIMBER PRICE TRENDS

Market Overview*

U.S. building construction continued to improve this period. According to the U.S. Census Bureau, total housing starts in May 2018 reached a seasonally adjusted annual rate of 1,337,000 units which is the highest level in the last 11 years. By June, however, the rate dropped about 12.3 percent to 1,173,000 units. Meanwhile, actual starts in May totaled 124,900 units which is the highest level since July 2007. Except for small diameter pine sawtimber (Chip-N-Saw), average stumpage prices in Texas were down compared to last period.

Statewide pine sawtimber prices averaged \$28.83 per ton, down 15% from last period, but this price is up 15% from a year ago. Average pine sawtimber price was \$30.56 per ton in Northeast Texas and \$27.10 per ton in Southeast Texas.

The statewide average pine pulpwood price was \$6.17 per ton. This was down 10% from last period and down 19% from the price a year ago. In Northeast Texas, the average pine pulpwood price was \$6.79 per ton. It was \$5.55 per ton in Southeast Texas.

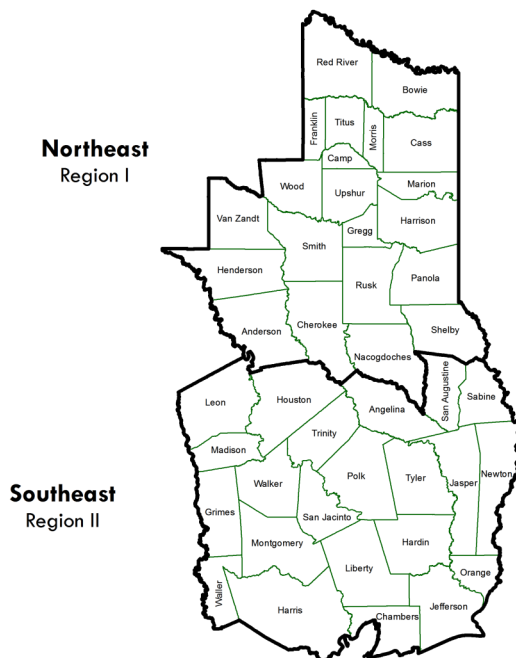
Chip-N-Saw averaged \$11.88 per ton statewide, up 3% from last period. It was up 33% from the price a year ago.

The statewide average mixed hardwood sawtimber price was \$29.04 per ton, down 11% from last period and up 1% from the price a year ago.

The statewide average hardwood pulpwood price was \$10.99 per ton, down 2% from last period. It was up 23% from the price a year ago.

*The average prices reported here represent statewide volumes of 105,939 tons of pine sawtimber, 273,010 tons of pine pulpwood, 7,712 tons of pine Chip-N-Saw, 4,673 tons of mixed hardwood sawtimber, and 23,066 tons of hardwood pulpwood during May/June 2018.

Texas Timber Price Trends Market Regions

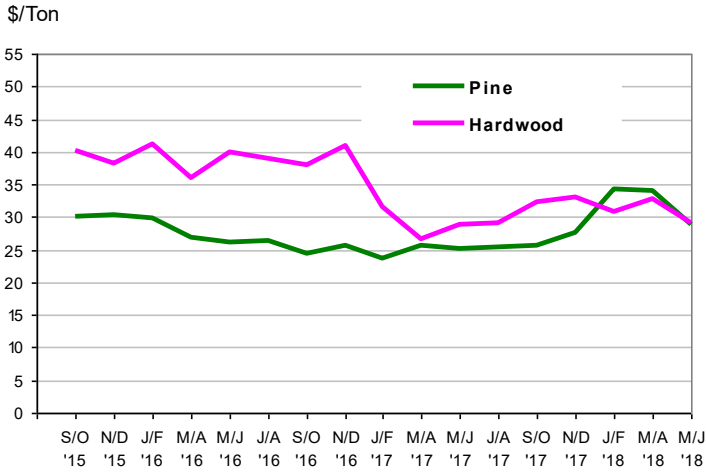


Stumpage Prices in Texas

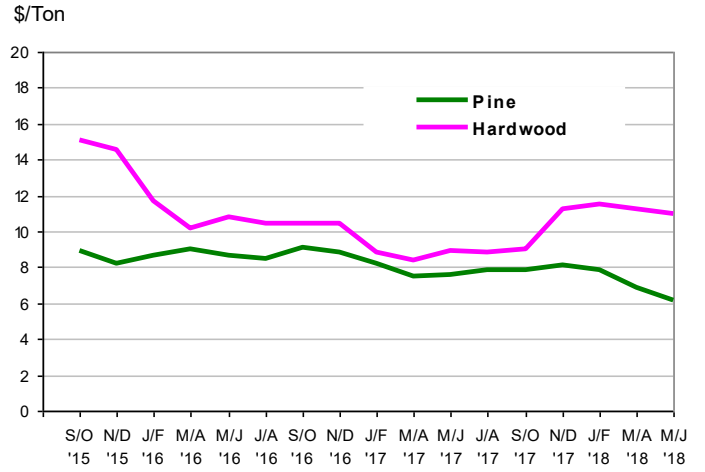
Product /Region	Average Price		Last Period			Year Ago			Report	
PINE										
Sawtimber	\$/Ton	\$/MBF	\$/Ton	\$/MBF	Chg	\$/Ton	\$/MBF	Chg	Number	
Northeast TX	\$30.56	\$244.46	35.57	284.56	-14% ↓	\$24.66	\$199.19	24% ↑	59	
Southeast TX	\$27.10	\$216.81	32.43	259.47	-16% ↓	\$25.47	\$187.31	6% ↑	10	
Statewide	\$28.83	\$230.64	34.00	272.00	-15% ↓	\$25.08	\$192.70	15% ↑	69	
Pulpwood	\$/Ton	\$/Cord	\$/Ton	\$/Cord	Chg	\$/Ton	\$/Cord	Chg	Number	
Northeast TX	\$6.79	\$18.34	\$7.63	\$20.60	-11% ↓	\$7.19	\$19.34	-6% ↓	83	
Southeast TX	\$5.55	\$14.97	\$6.16	\$16.64	-10% ↓	\$8.24	\$22.26	-33% ↓	26	
Statewide	\$6.17	\$16.66	\$6.89	\$18.61	-10% ↓	\$7.61	\$20.50	-19% ↓	109	
Chip-N-Saw	\$/Ton	\$/Cord	\$/Ton	\$/Cord	Chg	\$/Ton	\$/Cord	Chg	Number	
Northeast TX	\$12.39	\$33.46	\$12.64	\$34.14	-2% ↓	\$12.10	\$32.66	2% ↑	20	
Southeast TX	\$11.36	\$30.67	\$10.53	\$28.43	8% ↑	\$8.72	\$23.54	30% ↑	5	
Statewide	\$11.88	\$32.08	\$11.59	\$31.29	3% ↑	\$8.96	\$24.19	33% ↑	25	
HARDWOOD										
Mixed Sawtimber	\$/Ton	\$/MBF	\$/Ton	\$/MBF	Chg	\$/Ton	\$/MBF	Chg	Number	
Northeast TX	\$29.42	\$264.75	\$31.26	\$281.37	-6% ↓	\$31.74	\$308.34	-7% ↓	16	
Southeast TX	**	**	\$34.18	\$307.60	**	\$22.35	\$201.19	**	**	
Statewide	\$29.04	\$261.36	\$32.72	\$294.48	-11% ↓	\$28.79	\$272.84	1% ↑	17	
Pulpwood	\$/Ton	\$/Cord	\$/Ton	\$/Cord	Chg	\$/Ton	\$/Cord	Chg	Number	
Northeast TX	\$10.37	\$29.04	\$10.08	\$28.21	3% ↑	\$8.29	\$23.26	25% ↑	31	
Southeast TX	\$11.61	\$32.51	\$12.38	\$34.66	-6% ↓	\$10.10	\$28.29	15% ↑	6	
Statewide	\$10.99	\$30.77	\$11.23	\$31.44	-2% ↓	\$8.91	\$25.00	23% ↑	37	

1. Stumpage price statistics include gatewood sales. Stumpage prices for gatewood sales are estimated by subtracting cut-and-haul costs, other expenses, and profits provided by reporter.
2. Price is calculated from a specific conversion factor reported for each sale if available; otherwise, the average conversion factors listed on page 4 are used. MBF = Thousand Board Feet. The DOYLE LOG SCALE is used for board foot measurements.
3. ** indicates insufficient sales to report price statistics (less than three sales).
4. Prices listed for previous periods may differ from previously published values because additional data were received.
5. Price changes are calculated based on price per ton.
6. Extreme outliers from reported data are detected and removed using statistical methods.

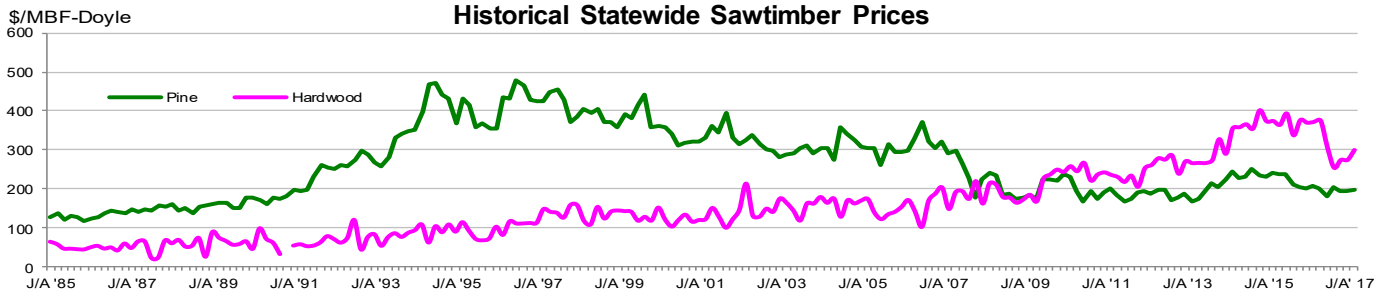
Sawtimber



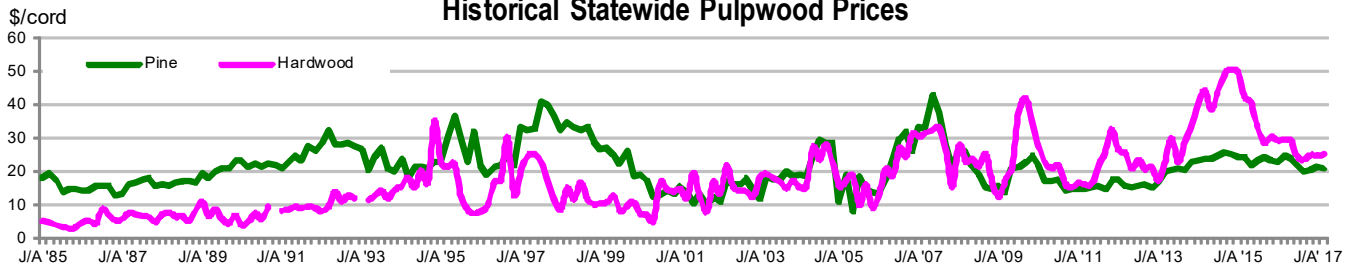
Pulpwood



Historical Statewide Sawtimber Prices



Historical Statewide Pulpwood Prices



Note: A gap in the chart means less than 3 sales were reported and no price statistics were compiled.
 For chart data, please go to <http://tfsweb.tamu.edu/timberpricetrends/>



Texas Timber Price Trends is a bi-monthly publication reporting average prices paid for standing timber and gate-wood in Texas. ***This report is intended only as a guide to general price levels.***

Individuals interested in buying and selling timber can use this report to monitor market trends and get a general idea of what timber is worth. However, it should not be used to judge the fair market value of a specific timber sale, which may vary considerably due to many factors.

HOW ARE AVERAGE PRICES CALCULATED?

Data published in this report are from actual timber sales as reported by as many as 60 cooperators active in the East Texas timber market. Reporters include forest product companies, logging contractors, consulting foresters, family forest landowners, and financial institutions.

The prices are volume weighted average prices. The price per ton for each product category is as reported or using a specific conversion factor provided by the reporters. When a specific conversion factor for each sale is not available, an average conversion factor listed here is used instead.

VOLUME CONVERSION FACTORS

Sawtimber & Chip-N-Saw

Pine— 8 tons=1 MBF-Doyle

Pine Chip-N-Saw— 2.7 tons= 1 Cord

Hardwood— 9 tons= 1 MBF-Doyle

Pulpwood

Pine— 2.7 tons=1 Cord

Hardwood— 2.8 tons= 1 Cord

This publication is also available on the Texas A&M Forest Service website at:

<http://tfsweb.tamu.edu/timberpricetrends/>

WANT TO BE A REPORTER?

If you are active in the East Texas timber market, please consider becoming a cooperating price reporter. You will receive report forms bi-monthly with a self-return envelope. In addition, you will receive a hard copy of the report in exchange for your price information.