

TEXAS TIMBER PRICE TRENDS

Market Overview*

Continued extremely dry weather across Texas and weak domestic demand put downward pressure on timber stumpage prices during May/June 2011. Despite rising gasoline and diesel prices, delivered timber prices were flat to slightly lower according to reporters. Mill inventories remained full.

The statewide average pine sawlog price dropped 9 percent to \$22.66 per ton, 18 percent lower than the price a year ago. The average pine sawlog price was \$23.55 per ton for Northeast Texas and \$22.48 per ton for Southeast Texas.

Pine pulpwood prices averaged \$5.47 per ton statewide, roughly the same level as the last period. However, this was around half of the price a year ago.

Small diameter sawlog (CNS) prices averaged \$9.05 per ton, down 11 percent from the last period and 46 percent from a year ago.

The average hardwood sawlog price increased 7 percent to \$25.99 per ton. This was slightly (4%) lower than the same period of last year.

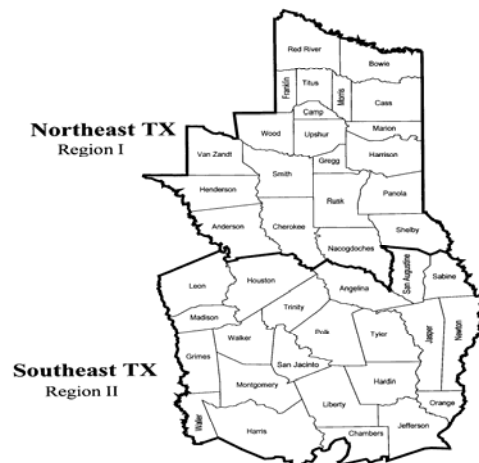
Hardwood pulpwood price continued trending downward. The average hardwood

pulpwood price was \$5.42 per ton, a 10 percent decrease from the last period. This was almost one-third of the record high price in early 2010.

Extreme drought and windy weather put Texas forests in great danger of wildfire. In June, three major wildfires in East Texas burned over 32,500 acres of forest land, causing an estimated timber loss of \$17.3 million to \$25 million. Local timber market will likely be negatively affected by the increasing amount of wood supply in a short period of time due to salvage efforts after the loss.

*The average prices reported here represent statewide transactions of 98,473 tons of pine sawlogs, 518,331 tons of pine pulpwood, 70,203 tons of pine CNS, 40,491 tons of mixed hardwood sawlogs, and 72,224 tons of hardwood pulpwood during May/June 2011.

**Texas Timber Price Trends
Market Regions**

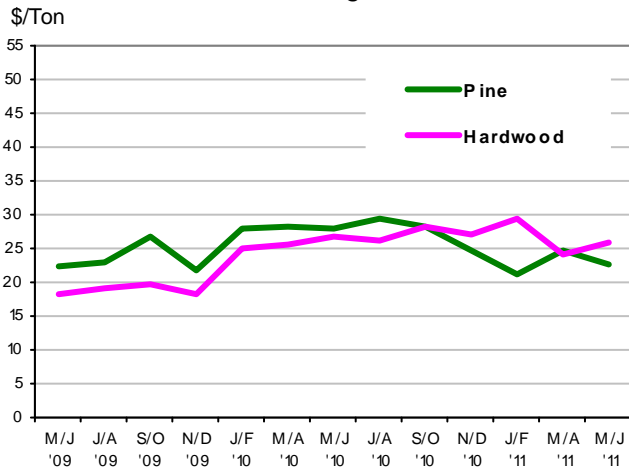


Stumpage Prices in Texas

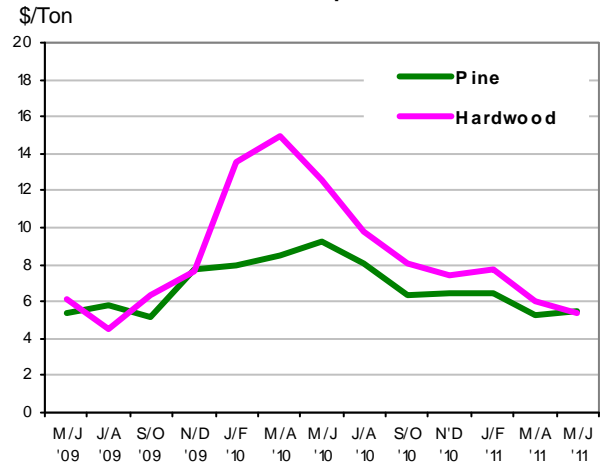
Product /Region	Average Price		Last Period			Year Ago			Report		
PINE											
Sawlogs	\$/ton	\$/MBF	\$/ton	\$/MBF	Chg		\$/ton	\$/MBF	Chg	Number	
Northeast TX	23.55	188.78	26.90	223.90	-12%	↓	30.27	244.97	-22%	↓	20
Southeast TX	22.48	172.49	23.70	181.53	-5%	↓	27.16	214.37	-17%	↓	20
Statewide	22.66	175.09	24.77	194.88	-9%	↓	27.80	220.53	-18%	↓	40
USFS	**	**	23.37	186.94	**		**	**	**	**	**
Pulpwood	\$/ton	\$/cord	\$/ton	\$/cord	Chg		\$/ton	\$/cord	Chg	Number	
Northeast TX	4.89	13.21	5.14	13.83	-5%	↓	7.72	20.81	-37%	↓	44
Southeast TX	5.63	15.20	5.39	14.56	4%	↑	9.68	26.13	-42%	↓	57
Statewide	5.47	14.77	5.31	14.34	3%	↑	9.21	24.85	-41%	↓	101
USFS	**	**	2.75	7.44	**		**	**	**	**	**
Chip-N-Saw	\$/ton	\$/cord	\$/ton	\$/cord	Chg		\$/ton	\$/cord	Chg	Number	
Northeast TX	12.01	32.43	14.33	38.70	-16%	↓	17.95	48.47	-33%	↓	4
Southeast TX	8.98	24.24	10.05	27.14	-11%	↓	16.50	44.56	-46%	↓	10
Statewide	9.05	24.45	10.22	27.61	-11%	↓	16.64	44.92	-46%	↓	14
HARDWOOD											
Mixed Sawlogs	\$/ton	\$/MBF	\$/ton	\$/MBF	Chg		\$/ton	\$/MBF	Chg	Number	
Northeast TX	23.03	209.96	21.30	194.58	8%	↑	24.15	226.14	-5%	↓	20
Southeast TX	29.06	261.57	31.49	283.42	-8%	↓	30.60	275.42	-5%	↓	24
Statewide	25.99	235.49	24.19	220.03	7%	↑	26.97	248.14	-4%	↓	44
USFS	**	**	4.12	37.06	**		**	**	**	**	**
Pulpwood	\$/ton	\$/cord	\$/ton	\$/cord	Chg		\$/ton	\$/cord	Chg	Number	
Northeast TX	4.79	13.61	5.52	14.72	-13%	↓	10.88	30.47	-56%	↓	12
Southeast TX	5.62	15.72	6.76	18.93	-17%	↓	13.32	37.30	-58%	↓	24
Statewide	5.42	15.22	6.00	16.31	-10%	↓	12.59	35.25	-57%	↓	36
USFS	**	**	0.57	1.60	**		**	**	**	**	**

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. Statewide data excludes U.S. Forest Service sales.
4. ** indicates insufficient sales to report price statistics (less than three sales).
5. Prices listed for previous periods may differ from previously published values because additional data have been received.
6. Price change in percentage is calculated based on price in ton.
7. Extreme outliers from reported data are detected and filtered out based on statistical methods.
8. Price changes are calculated based on price in ton.

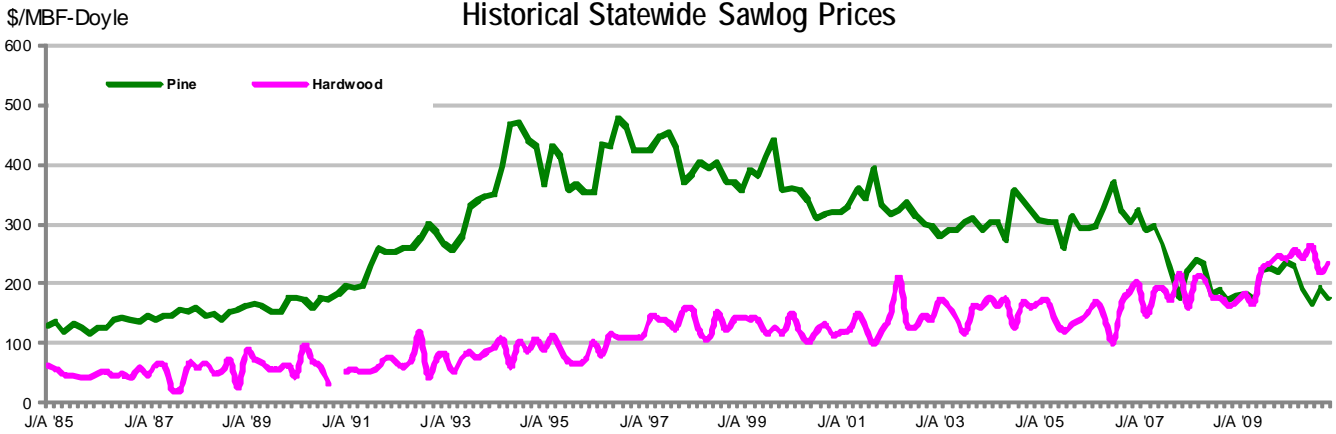
Sawlogs



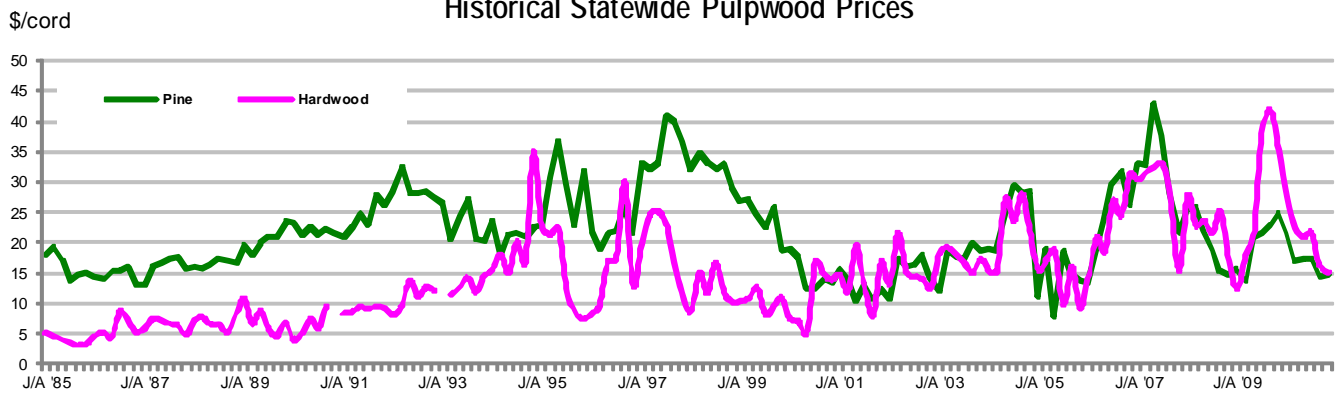
Pulpwood



Historical Statewide Sawlog 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://txforestservice.tamu.edu/main/article.aspx?id=145>.



Texas Timber Price Trends is a bi-monthly publication reporting average prices paid for standing timber in Texas.

This report is intended only as a guide to general price levels. Individuals inter-

ested 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, financial institutions, and federal agencies.

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

Sawlogs & Chip-N-Saw

Pine— 8 tons=1 MBF-Doyle

Pine CNS— 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 Forest Service website at:

<http://txforestservice.tamu.edu/main/article.aspx?id=145>

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.