



STUMPAGE SPEAK

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Louisiana Timber Market Report¹
2nd Quarter (Apr.-Jun.) 2016
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Staff Report # 2016-10

Louisiana Stumpage Prices	2 nd Quarter 2016	Change from prior Quarter
Timber Class	Price Per Ton ²	% Change
Pine Sawtimber	28.50	5.56%
Pine Chip-N-Saw	19.00	11.76%
Pine Pulpwood	11.00	-8.33%
Oak Sawtimber	41.50	-2.35%
Mixed Hardwood Sawtimber	33.50	-1.47%
Hardwood Pulpwood	9.00	-18.18%

¹ The following document is intended for use by owners of forested land in Louisiana. The source of these prices is proprietary in nature and are therefore rounded per agreements to disseminate to the general public. The prices I report are also state averages and the LDAF numbers are by specific regions. I recommend using both to aid in decisions about purchases, sales, and determining harvesting schedules. As always communicate with a consultant forester on prices before executing contracted agreements with wood buyers.

Price Conversions:
Pine Sawtimber/ MBF= Tons * 8
Hardwood Sawtimber/ MBF = Tons * 9.5
CNS and Pine Pulpwood Cords = Tons * 2.7
Hardwood Pulpwood = Tons * 2.8

² All prices are rounded to the nearest .50 cent value.



What is in a Price?

I get asked all the time, “Why are the prices being reported not the prices I see on the ground, or the prices offered to me by wood buyers?” This is a complicated question, but I’ll do my best to unpack it. First, there are two main factors affecting timber prices (credit Steve Templin for this phrasing) quoted to you as a landowner. 1. Factors specific to your property and 2. Factors specific to your marketplace. Let’s take a look at property/owner specific factors for now and I’ll address the marketplace forces at a later time. This list is not exhaustive, but will give you a good idea of what attributes the logger is looking at when he/she is appraising your property and determining what to bid for the timber.

- a. Quality of your stand – When you plant trees, that’s not the end of it until you decide to harvest and reap the financial gains. When you planted the stand (or when it was planted) how did you decide to space the seedlings, what kind of seedlings were planted, attention paid to genetic quality and silvicultural treatments (prescribed fire, herbicide, pre-commercial thinning) throughout the life of the stand until final harvest. The lower quality stand, the lower the price that will be offered by loggers/wood buyers.
- b. Access – How easy is it to get to your stand or tract? Is there a parish or state road adjoining it (gravel or blacktop)? Do the paths on your property have well scraped roads or better? Or will the logger have to clear paths ahead of time. Are there several entry points to the property? Are the culverts able to hold up to heavy trucking, Do the roads on the property get plenty of sun, are there low areas that can be rained out and prevent access (or mean that loggers will have to do temporary construction to get use). Further, there need to be clear right-of-way definitions with respect to neighbors and if not do you have a good enough relationship with your neighbor to secure one without a lot of hassle.



- c. Logging costs – Site conditions, skidding distances, number of loading sets, type of harvest; select cut or clear cut.
- d. Contract Provisions – length of contract, how long does the logger have to complete the harvest on your property? This certainly cuts both ways, allowing the logger more time may be an enticement, but it could also affect your market price (if you’ve agreed to pay as cut harvesting).
- e. Well marked boundaries – Streamside management zones, property lines, sale boundaries.
- f. Wide entrances and gates set back from the road – These both allow the logger and their equipment to more easily go about the business of getting to and from the property
- g. Road and Bridge weight limits – lower limits mean it takes longer to get the same amount of wood from your property to the mill.
- h. Hire a consultant– Last and certainly not least, get as much professional help as you can. A consultant is basically your timber agent and typically receives a percentage of the timber sale. This means it’s in their best interest to get you the highest price possible. In a prior issue, I noted the research that points to a marked increase in timber revenue (25% to 50%), when hiring a professional to assist you in the sale. They also will know how to set your property up for the next sale down the road to maximize the future returns on your property. That means if you decide to sell completely, you can command a higher price or if you pass the property on to kin, they are in the best shape you can put them in. If you don’t have a management plan, don’t know what your inventory looks like, or if you haven’t established basis for tax purposes, consultants can address those needs too.