



STUMPAGE SPEAK

Louisiana Timber Market Report¹ 1st Quarter (Jan-Mar.) 2014 *Dr. Shaun M. Tanger,*
Department of Agricultural Economics and Agribusiness LSU AgCenter

Louisiana Stumpage Prices (\$/ton) for 1 st Quarter 2014	Rounded to the nearest whole dollar
Quarter	Q1 2014
Pine Sawtimber	\$30.00
Pine Chip-n-saw	\$17.00
Pine Pulpwood	\$10.00
Hardwood Sawtimber –Mixed grade	\$28.00
Hardwood Pulpwood	\$11.00

INTRODUCTION

Many reporters commented that wet winter weather helped increase prices this quarter. Snow was also a factor in some markets. Ice damage during the first two months of the year affected the South, causing a downturn in construction and led to downturns in transportation and timber operations in states hit hardest by those conditions. While the

¹If you would like more exact pricing please visit the following link from Louisiana Department of Agriculture and Forestry (LDAF).

<http://www.ldaf.state.la.us/portal/Offices/Forestry/ForestryReports/QuarterlyReportofForestProducts/OriginalReports/tabid/452/Default.aspx>

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.

short-term numbers on housing are not as optimistic for permits and starts relative to last year at this time, both completions (7.7%) and under construction (+21%) numbers are very strong relative to last year.

BUILDING PERMITS

Privately-owned housing units authorized by building permits in March were at a seasonally adjusted annual rate of 990,000. This is 2.4 percent below the revised February rate of 1,014,000, but is 11.2 percent above the March 2013 estimate of 890,000. Single-family authorizations in March were at a rate of 592,000; this is 0.5 percent above the revised February figure of 589,000. Authorizations of units in buildings with five units or more were at a rate of 370,000 in March.

HOUSING STARTS

Privately-owned housing starts in March were at a seasonally adjusted annual rate of 946,000. This is 2.8 percent above the revised February estimate of 920,000, but is 5.9 percent below the March 2013 rate of 1,005,000. Single-family housing starts in March were at a rate of 635,000; this is 6.0 percent above the revised February figure of 599,000. The March rate for units in buildings with five units or more was 292,000.

HOUSING COMPLETIONS

Privately-owned housing completions in March were at a seasonally adjusted annual rate of 872,000. This is 0.2 percent below the revised February estimate of 874,000, but is 7.7 percent above the March 2013 rate of 810,000. Single-family housing completions in March were at a rate of 602,000; this is 3.8 percent below the revised February rate of 626,000. The March rate for units in buildings with five units or more was 258,000.

LUMBER

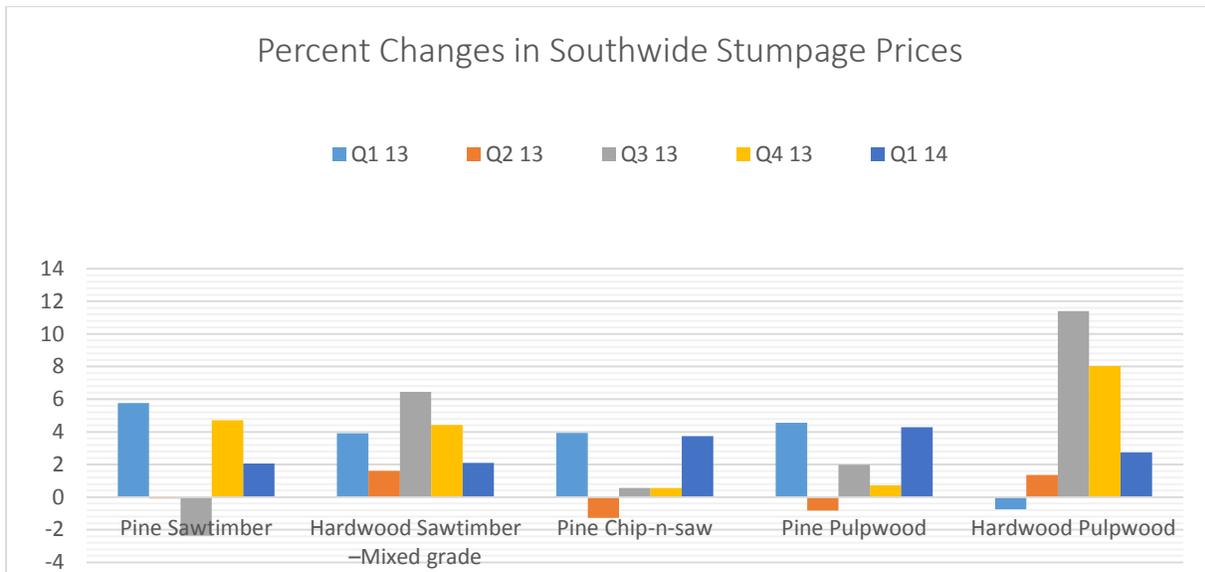
Framing Lumber prices were down slightly from the end of last year. Random Lengths Composite lumber prices were 378 at the end of March 2014 (335.50 for futures), down from \$387.00 (368.30) at the end of December 2013. While prices spiked in late January (\$404)-- being driven by a spike in housing starts, the impact of weather on construction and transportation as well as mill and timber operations slowed this down more normal conditions over the past two months have pushed prices back down as spring arrives.

SOUTHWIDE STUMPAGE PRICES

Stumpage prices for the five major timber classes continued a general upward trend this quarter. This marks a two quarter upward trend for all classes. Pine saw-timber increased by 2.7%, following a 4.71% increase from the prior quarter (Q3-2013). Likewise, Pine Chip-N-saw increased 3.73% and Pine Pulpwood was up 4.28% Mixed hardwood saw-timber stumpage was up 2.09% per ton, which continues its positive price trend for seven straight quarters. Hardwood pulpwood up 2.75% per ton, following increases of 19.43% combined over (Q3 and Q4 for 2013).

LOUISIANA STUMPAGE PRICES

Likewise, stumpage prices in Louisiana for the five major timber classes, show a general upward trend this quarter, outperforming the south averages in all five categories. Pine saw-timber sold for close to 4 dollars more per ton than south-wide averages. Likewise, Pine Chip-N-saw outperformed south-wide averages by about .25 cents per ton and Pine Pulpwood went for more than .50 cents more per ton than that of south-wide averages.



Mixed hardwood saw-timber stumpage continued to sell at over the \$27 a ton mark for the second straight quarter. Hardwood pulpwood also sold for more than a dollar more per ton compared to south-wide averages. One reason Louisiana prices may be up, in the short term relative to the entire south average is warmer, drier weather relative to the more

easterly states, bidding up timber prices in our area as the nearby markets struggled with transportation and mill and timber operations.

