

PULPWOOD PRICES IN THE SOUTHEAST, 1979

by Cecil C. Hutchins, Jr.¹

ABSTRACT.—Expenditures for wood fiber in the Southeast during 1979 were \$960.8 million, an increase of 8.7 percent over 1978. Price per standard cord of roundwood pulpwood was \$40.65 for softwood, a 12.1-percent increase, and \$30.40 for hardwood, an increase of 8 percent. Green chip prices per ton averaged \$17.15 for softwood and \$13.05 for hardwood; they increased 7.9 and 8.8 percent, respectively. Softwood sawdust prices were up 22.8 percent, while hardwood prices were unchanged.

Keywords: Expenditures, prices, roundwood pulpwood, chips, sawdust.

Expenditures for wood for fiber in the Southeast in 1979 approached the billion dollar mark—\$960.8 million—an increase of 8.7 percent over 1978 (table 1). Outlays for roundwood in 1979 increased by only 5 percent, less than half the 1978 increase. Spending for chips and other residues, however, increased dramatically. Chip expenditures were up 14.9 percent in 1979 after almost no gain in 1978. Monies paid for other residues more than doubled for both softwood and hardwood during 1979. Mill receipts of other residues increased over 38 percent, while prices were up about 49 percent. Other residues (sawdust, veneer cores, pole and piling trim, cull crossties, and secondary residues) contributed more than 1.3 percent of expenditures in 1979 and now total \$12.2 million. Cost of raw material for the pulp industry may increase at a faster rate in the future as competition by other users appears.

After 2 years of relatively small increases in the price of roundwood pulpwood, the 1979 increases were sizable. Softwood prices increased by 12.1 percent and hardwood by 8 percent. Softwood roundwood now averages \$40.65 per standard cord and hardwood \$30.40 (table 2). Price increases for green chips per ton averaged about twice as much in 1979 as in the previous 2 years. Softwood green chips averaged \$17.15 per ton and hardwood \$13.05 for the year. These prices increased 7.9 and 8.8 percent for softwood and hardwood, respectively. Softwood sawdust prices were up 22.8 percent, recover-

ing from a 13.2 percent decrease in 1978. Hardwood sawdust prices were unchanged at \$6.20 per

Table 1.—Expenditures for pulpwood in the Southeast during 1979 and changes since 1978

Kind of wood	Year		Change
	1978	1979	
	<i>Million dollars</i>		<i>Percent</i>
Softwood:			
Roundwood	483.9	520.4	+7.5
Chips	229.2	254.3	+11.0
Other residues ¹	3.9	7.8	+100.0
Total	717.0	782.5	+9.1
Hardwood:			
Roundwood	122.9	116.6	-5.1
Chips	42.0	57.3	+36.4
Other residues ¹	2.0	4.4	+120.0
Total	166.9	178.3	+6.8
All species:			
Roundwood	606.8	637.0	+5.0
Chips	271.2	311.6	+14.9
Other residues ¹	5.9	12.2	+106.8
Total	883.9	960.8	+8.7

¹Includes sawdust, veneer cores, pole and piling trim, cull crossties, and secondary residues.

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ton in 1979, while those for softwood increased to \$5.65 per ton (table 3).

Table 2.—Average prices for roundwood pulpwood in the Southeast during 1979 and changes since 1978¹

Kind of wood	Year		Change
	1978	1979	
	<i>Dollars per standard cord, including bark</i>		<i>Percent</i>
Softwood:			
Rail & yard wood ²	35.50	40.45	+13.9
Truck wood ³	37.85	41.10	+8.6
All wood ⁴	36.25	40.65	+12.1
Hardwood:			
Rail & yard wood ²	27.05	29.30	+8.3
Truck wood ³	30.00	32.15	+7.2
All wood ⁴	28.15	30.40	+8.0

¹Prices rounded to nearest 5 cents.

²F.o.b. railroad at spur or siding or delivered to mechanized pulpwood yard other than mill yard.

³Delivered to pulpmill.

⁴Weighted average of all pricing points.

Table 3.—Average prices for green chips and sawdust in the Southeast in 1979 and changes since 1978¹

Kind of wood	Year		Change
	1978	1979	
	<i>Dollars per ton</i>		<i>Percent</i>
Softwood:			
Green chips	15.90	17.15	+7.9
Sawdust	4.60	5.65	+22.8
Hardwood:			
Green chips	12.00	13.05	+8.8
Sawdust	6.20	6.20	--

¹Prices rounded to nearest 5 cents.

Average roundwood pulpwood and chip prices increased in 1979 in all five Southeastern States — Florida, Georgia, North Carolina, South Carolina, and Virginia. Softwood roundwood in Florida continued to be the most expensive at \$46.30 per standard cord; Virginia roundwood was cheapest at \$34.50. The approximately \$12 differential found in softwood does not exist in hardwood roundwood since the high is \$31.40 in Florida and the low is \$29 in South Carolina (table 4). Florida also had the highest cost for softwood green chips per ton, \$17.85, while hardwood chips were highest in Virginia at \$13.60.

The method of transporting pulpwood in the Southeast has changed very little in recent years. Almost two-thirds of the softwood is transported by rail, while about half the hardwood is moved by rail and half by truck (table 5). Total mill receipts remained at three-fourths softwood and one-fourth hardwood.

Prices in this report are based on a sample of 32 mills in the Southeast that collectively account for 69 percent of the region's mill receipts.

Table 4.—Average pulpwood prices for roundwood and chips, by State, during 1979 and changes since 1978¹

State	Roundwood		Change	Chips		Change
	1978	1979		1978	1979	
	<i>Standard cord</i>		<i>Percent</i>	<i>Green ton</i>		<i>Percent</i>
SOFTWOOD						
Florida	41.60	46.30	+11.3	16.30	17.85	+9.5
Georgia	38.40	43.20	+12.5	15.60	17.00	+9.0
North Carolina	30.55	35.00	+14.6	16.90	17.35	+2.7
South Carolina	33.35	35.70	+7.0	15.70	16.75	+6.7
Virginia	30.85	34.50	+11.8	15.15	17.20	+13.5
HARDWOOD						
Florida	29.20	31.40	+7.5	11.20	11.90	+6.3
Georgia	28.30	31.25	+10.4	11.40	12.40	+8.8
North Carolina	28.75	30.80	+7.1	12.25	13.00	+6.1
South Carolina	27.25	29.00	+6.4	12.15	13.50	+11.1
Virginia	27.60	29.65	+7.4	12.25	13.60	+11.0

¹Prices rounded to nearest 5 cents.

Table 5.—Mode of transporting pulpwood in the Southeast, by species, type of wood, and percent of total receipts, 1979¹

Type of pulpwood	Truck wood	Rail or mechanized yard wood	Total mill receipts
----- <i>Percent</i> -----			
Softwood:			
Roundwood	34	66	51
Chips	40	60	25
Sawdust	55	45	1
Total	36	64	77
Hardwood:			
Roundwood	39	61	15
Chips	64	36	7
Sawdust	100	--	1
Total	49	51	23
All wood	39	61	100

¹Excludes unchipped veneer cores, pole and piling trim, and secondary residues which made up less than 0.8 percent of the total mill receipts.



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