

## Midsouth Pulpwood Prices, 1991

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### SUMMARY

The average delivered price for a cord of **Midsouth** roundwood in 1991 was \$56.39, an increase of 6.5 percent since 1990. Softwood roundwood averaged \$58.24 and hardwoods, \$50.48 per standard cord, up 2.8 and 7.9 percent, respectively. Chipped residue prices were \$26.52 for softwood and \$21 .01 for hardwood per green ton. The expenditure for wood fiber in the **Midsouth** increased 3.1 percent to \$1,942 million in 1991. Real prices for both hardwood roundwood and softwood chips increased by 4.2 and 10 percent respectively, from 1990 to 1991.

**Keywords:** Chipped residues, expenditure, roundwood.

The average prices paid by **Midsouth** pulpmills for wood fiber in 1991 are based on an annual canvass of all wood-using pulpmills. Thirty-six out of a total of 56 mills canvassed responded to the survey. These 36 mills accounted for 53 percent of the region's pulpwood receipts. Reported prices are for deliveries to the pulpmill, mechanized yard, or rail car. Freight, woodyard, overhead, and similar expenses were not included. Prices are for standard units of measurement-cords for roundwood and green tons for wood residues. When necessary, prices from mills reporting in nonstandard units were converted to prices for standard units using regional conversions.

Roundwood pulpwood prices increased for softwood and hardwood during 1991, with \$58.24 being paid for softwood and \$50.48 for hardwood (table 1). Softwood prices increased by 2.8 percent, and hardwood prices increased by 7.9 percent. The amount of softwood used for pulp in the **Midsouth** increased slightly, whereas hardwood proportion has decreased since 1990.

The average price for chipped residues climbed significantly by 14.3 percent to \$25.73 from 1990 to 1991 (table 2). Softwood residues are responsible for the higher price for chipped residues. There was essentially no change between 1990 and 1991 for hardwood residues. From 1982 to 1991, the average price for a ton of chipped softwood residues declined by 5 percent, whereas the price for chipped hardwood residues increased by 1 percent.

As shown in tables 1 and 2, pulpwood prices have generally risen since 1982. But, when the effects of inflation are taken into account, real pulpwood prices, in terms of 1982 dollars, have decreased (table 3). In 1991, real prices for softwood roundwood decreased by less than 1 percent, but, in softwood chips, there was a 10-percent increase. Real prices for hardwood roundwood jumped by 4.2 percent in 1991, whereas those for hardwood chips fell about 3.5 percent.

The price breakdown by delivery method after 1990 shows average prices increasing for softwood and hardwood. The average price for softwood chips delivered by truck increased remarkably by 14.7 percent to \$27.15, and the price for hardwood chips increased by 5.1 percent to \$20.83 (table 4). The prices for

softwood and hardwood roundwood delivered by rail increased enormously by 13.8 and 20.7 percent, respectively, and the price for softwood chips increased by 7.3 percent (table 5).

In 1991, higher prices and the increased demand for **Midsouth** pulpwood attributed to an increase in expenditures for pulpwood. The **Midsouth** pulpwood expenditure increased in 1991 to \$1,942 million, 3.1

percent greater than in 1990. Expenditures for softwood accounted for 74.9 percent of the total. **Roundwood** receipts accounted for 71.4 percent of the total expenditure, whereas chipped residues accounted for 28.4 percent. The purchase of other residues contributed less than 1 percent to the total expenditure. Softwood roundwood receipts contributed to 48.4 percent of the total expenditure for pulpwood, and hardwood roundwood accounted for 23 percent (**fig.1**).

Table 1.-Trends in average prices per cord for *Midsouth roundwood*

Year	All species	Softwood	Hardwood
-----Dollars-----			
1982	48.12	52.89	39.79
1983	48.38	53.03	40.09
1984	50.55	55.26	41.10
1985	50.12	54.44	41.68
1986	47.20	50.50	41.31
1987	47.47	51.00	41.71
1988	49.21	51.27	43.62
1989	49.92	51.26	46.40
1990	52.95	56.64	46.76
1991	56.39	58.24	50.48

Table 2.-Trends in average prices per green km for *Midsouth chipped residues*

Year	All species	softwood	Hardwood
.....Dollars.....			
1982	25.72	27.95	20.78
1983	23.34	24.47	18.76
1984	25.44	26.61	22.31
1985	21.97	22.88	19.31
1986	21.77	22.98	19.23
1987	21.64	22.29	20.06
1988	20.99	21.84	18.56
1989	21.70	22.05	20.58
1990	22.51	23.25	21.03
1991	25.73	26.52	21.01

Table 3.--Trends in real prices per cord for *Midsouth roundwood and chipped residues*

Year	softwood		Hardwood	
	Roundwood	Chips	Roundwood	Chips
..... 1982 Dollars * .....				
1982	52.89	64.28	39.79	47.94
1983	50.96	54.09	38.53	41.46
1984	50.89	56.36	47.25	37.85
1985	48.33	46.71	37.00	39.42
1986	43.67	45.71	35.72	38.25
1987	42.74	42.96	34.95	38.66
1988	41.35	40.51	35.18	34.43
1989	39.63	39.21	35.87	36.59
1990	42.04	39.69	34.71	35.90
1991	41.71	43.69	36.16	34.61

\* Real prices based on "Implicit Price Deflators for Gross Domestic Product 1959-1991." In: U.S. President. 1992. The Economic Report of the President to the Congress. Washington, DC: U.S. Government Printing Office, 293 p.

**Table 4.—Average prices of truck-delivered roundwood and chipped residues**

Year	softwood		Hardwood	
	Roundwood*	Chips†	Roundwood*	Chips+
-----Dollars-----				
1982	54.33	28.38	40.10	20.77
1983	54.35	25.55	41.02	17.15
1984	57.10	28.01	43.24	20.79
1985	56.64	23.18	44.07	19.54
1986	51.66	26.65	40.30	19.19
1987	52.26	22.63	43.09	19.78
1988	52.52	22.68	43.88	18.49
1989	51.67	22.81	46.43	20.49
1990	57.78	23.67	46.95	19.81
1991	57.90	27.15	50.17	20.83

\* Price per cord.

† Price per green ton.

**Table 5.—Average prices of rail-delivered roundwood and chipped residues**

Year	Softwood		Hardwood	
	Roundwood*	Chips+	Roundwood*	Chips+
.....Dollars.....				
1982	50.19	27.43	38.78	20.80
1983	50.85	23.38	38.20	21.03
1984	52.31	24.12	37.67	25.85
1985	51.57	22.33	38.35	18.74
1986	47.42	20.96	44.39	19.41
1987	48.37	21.38	40.03	20.98
1988	48.06	19.41	39.95	21.00
1989	49.82	19.82	45.74	23.05
1990	52.30	21.66	46.47	23.08
1991	59.50	23.24	56.07	23.67

\* Price per cord.

† Price per green ton.

