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# Research Note

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## MIDSOUTH PULPWOOD PRICES, 1983

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### SUMMARY

The average price per cord for Midsouth roundwood pulpwood increased less than 1 percent to \$48.38 in 1983. The average price for a green ton of chipped mill residues fell 9.3 percent to \$23.34. Sawdust prices averaged \$13.04 per green ton, a 42.2 percent increase over 1982 prices. Prices for rail delivery of wood fiber continue to be slightly lower than truck delivery prices. The total expenditure for wood fiber in the Midsouth increased 6 percent to \$1,494.7 million in 1983.

Keywords: pulpwood, prices, roundwood, residue, sawdust.

Midsouth pulpwood prices for 1983 are based on information supplied by 45 mills that collectively account for more than 70 percent of the wood fiber receipts in Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas. The prices reported are for pulpwood deliveries to the pulpmill, mechanized yard, or rail car and do not include freight, woodyard, overhead, or similar expenses. All prices are based on standard units - cords for roundwood and green tons for byproducts. When necessary, reported units were converted to standard units by the U.S. Forest Service.

Average prices per cord for roundwood, softwood roundwood, and hardwood roundwood increased less than 1 percent

in 1983 (Table 1). The average price for chipped mill residues fell 9.3 percent to \$23.34 per green ton. Softwood and hardwood chip prices fell to \$24.47 and \$18.73 per green ton, a drop from 1982 prices of 12.5 percent and 9.9 percent respectively (Table 2). The average price for a green ton of sawdust increased to \$13.04, a 42.2 percent increase over 1982 prices. Softwood sawdust prices also increased, up 48.6 percent to \$14.80 per green ton, while hardwood sawdust prices fell 7.6 percent to \$7.78 per green ton (Table 3).

The price breakdown by truck and rail deliveries (Tables 4 and 5) shows that roundwood prices for either delivery method have remained at 1982 levels (+ 2 percent). In contrast, chipped residue prices for either delivery method have fallen below 1982 levels, except for rail deliveries of hardwood chips which increased by 1.1 percent. As in previous years, average roundwood and chip rail prices, \$46.72 per cord and \$22.99 per green ton, have been lower than average truck prices for roundwood and chips, \$49.32 per cord and \$23.66 per green ton. The price difference reflects the transportation costs from rail siding to millyard. Truck delivery accounts for two-thirds of the total roundwood receipts, while chipped residue deliveries are equally split between truck and rail.

By applying the average 1983 prices to 1983 pulpwood production figures, the total expenditure in the Midsouth region

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for wood fiber in 1983 was calculated to be \$1,494.7 million, an increase of 6 percent over 1982's \$1,407.7 million. Of the total 1983 expenditure, 63.5 percent went towards roundwood purchases, 35.5 percent went towards chipped residue purchases, and the remaining 1.0 percent went towards sawdust purchases. Because

roundwood prices have remained relatively constant and chipped residue prices have fallen below 1982 levels, most of the increase in the total expenditure between 1982 and 1983 can be attributed to the 7 percent increase in Midsouth pulpwood production in 1983.

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

Year	All species	Softwood	Hardwood
----- dollars -----			
1972	20.12	20.80	18.56
1973	22.97	23.84	21.32
1974	27.28	28.24	25.32
1975	27.82	28.71	25.71
1976	28.68	29.76	26.50
1977	30.35	31.42	28.10
1978	32.10	33.15	30.35
1979	38.11	40.09	33.92
1980	41.23	43.31	36.69
1981	46.45	50.44	39.48
1982	48.12	52.89	39.79
1983	48.38	53.03	40.09

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

Year	All species	Softwood	Hardwood
----- dollars -----			
1972	7.66	7.79	7.18
1973	8.49	8.50	8.44
1974	10.43	11.12	9.73
1975	11.48	11.76	10.04
1976	11.88	12.39	10.21
1977	12.96	13.46	10.93
1978	14.09	14.66	12.28
1979	17.49	18.37	15.02
1980	19.75	21.08	15.69
1981	24.31	26.12	19.91
1982	25.72	27.95	20.78
1983	23.34	24.47	18.73

Table 3.--Average prices per green ton for Midsouth sawdust, 1981-1983

Year	All species	Softwood	Hardwood
----- dollars -----			
1981	8.19	8.42	4.94
1982	9.17	9.96	8.42
1983	13.04	14.80	7.78

Table 4.-- Average prices for truck delivery of roundwood and chipped residues

Year	Softwood		Hardwood	
	1 Roundwood	2 Chips	1 Roundwood	2 Chips
	----- dollars -----			
1978	33.15	14.28	30.94	12.09
1979	41.33	19.22	35.21	14.89
1980	45.36	21.75	38.81	15.80
1981	52.12	26.21	40.38	20.08
1982	54.33	28.38	40.10	20.77
1983	54.35	25.55	41.02	17.15

1  
Price per cord.

2  
Price per green ton.

Table 5.-- Average prices for rail siding delivery of roundwood and chipped residues

Year	Softwood		Hardwood	
	1 Roundwood	2 Chips	1 Roundwood	2 Chips
	----- dollars -----			
1978	33.16	14.87	29.98	12.50
1979	38.90	18.01	32.90	15.10
1980	41.95	19.70	35.12	15.06
1981	48.27	26.05	37.52	19.62
1982	50.19	27.43	38.78	20.80
1983	50.85	23.38	38.20	21.03

1 Price per cord.      2 Price per green ton.