OVERALL LUMBER MARKET AND SOUTH CAROLINA TIMBER PRICE TRENDS DURING THE THIRD QUARTER

By Puskar Khanal

This quarter saw the price of lumber futures skyrocket to historically high levels of $928.50/MBF on September 1st despite the COVID-19 epidemic and the ensuring shutdowns. The swift rebound in the housing market led to an increased demand for the building commodity, but the pandemic-induced disruptions in the lumber mill operations contributed to its supply issues in this quarter. However, both sawtimber and pulpwood's stumpage prices continue to tumble despite a recent rebound in the production of wood and paper products. In general, limited mill operations, hurricane disruptions, and overall business uncertainties affect the stumpage price markets.

Sawtimber Stumpage Price:
The hardwood stumpage market has experienced a significant drop since the 1st quarter. On average, South Carolina statewide pine sawtimber prices were $21.61/ton in the 3rd quarter of 2020. For mixed hardwood sawtimber, statewide prices, on average, were $19.89/ton in this quarter.

Pulpwood Stumpage Price:
Both pine and hardwood pulpwood prices continue to decline this quarter. South Carolina statewide pine pulpwood prices, on average, were $8.85/ton in the 3rd quarter of 2020. For mixed hardwood pulpwood, the statewide stumpage prices, on average, were $7.74/ton in this quarter.

The overall economy and housing market conditions and local environments such as accessibility, terrain, sale size, tree size and quality, and distance to the nearby mills affect stumpage prices for both sawtimber and pulpwood. Properly managed trees in good health and condition tend to get paid more than unmanaged trees.

Data credit: The sawtimber and pulpwood price data included in this newsletter are published with permission from TimberMart-South Athens, GA 30605
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