South Carolina Stumpage Market in Q1/2021 and an Article Synthesis
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S.C. stumpage market trends:
Both sawtimber and pulpwood prices continue to recover from the price slump seen in the third quarter of 2020. With the gradual recovery of the overall economy from COVID-induced economic shock, forestry and mill production activities have accelerated this quarter. Restrained production activities at the mills during the COVID period have now contributed to lumber shortage and an increase in the price of lumber per thousand board feet. Higher lumber prices might lead to a rise in home prices for the new buyers.

S.C. Q1/2021 sawtimber stumpage prices:
Hardwood sawtimber prices have continued increasing trends from the lowest prices observed in the third quarter last year. Mixed hardwood sawtimber had statewide average prices of $24.71/ton in the first quarter of this year. It is an increase of over 8% from the prices seen in the previous quarter. On average, South Carolina statewide pine sawtimber prices were $23.56/ton in the 1st quarter of 2021. It is an increase of about 7% from the prices observed in the last quarter. Pine sawtimber prices have already recovered to the same level during the same period the previous year, but hardwood sawtimber prices are still lower than $27.38/ton.

S.C. Q1/2021 pulpwood stumpage prices:
Statewide pulpwood stumpage prices for both pine and hardwood have maintained increasing trends this quarter. On average, South Carolina statewide pine pulpwood prices were $10.56/ton in the 1st quarter of 2021. For mixed hardwood pulpwood, the statewide stumpage prices, on average, were $13.05/ton in this quarter. Hardwood stumpage prices have had about a 50% increase in this quarter. Both pine and hardwood stumpage prices have already reached beyond the same period’s rates last year.

Article synthesis ‘Why are timber prices low?’:
In a recent article, ‘Why are timber prices low?’, Dr. Brooks Mendell discussed a critical reason contributing to the enormous gap between softwood lumber prices and stumpage markets in the Southern United States. This article attributed the availability of excess pine sawtimber volume to the lower prices. This is even with new mills opening, increasing the mills’ total wood processing capacity in this region since the last recession. Notably, the article provided exciting data that the dollar per acre value of timberlands has increased significantly in this period in the South amid disappointing pine stumpage trends.
Data credit:
The sawtimber and pulpwood price data included in this newsletter are published with permission from TimberMart-South Athens, GA 30605 email tmart@timbermart-south.com.

References:
https://forisk.com/blog/2021/04/07/why-are-timber-prices-low/