Louisiana Department of Agriculture
Market News Service
State Market Commission
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Louisiana Department of Agriculture
MARKET NEWS SERVICE
STATE MARKET COMMISSION

Louisiana Forest Products

Quarterly Market Report

VOLUME XXI REPORT NO. 3 1975

TIMBER CUTTINGS, JANUARY-AUGUST, 1975 WITH COMPARISONS

Sawlogs cut in Louisiana during the first eight months of this year totaled 814,832,000 board feet. This volume represents a decline of 30.8 percent compared with the same period last year and is 22.6 percent below the previous five-year average.

Pulpwood harvested through August amounted to 1,747,000 cords. Cuttings are running 30.9 percent below that of a year ago and 17.6 percent under the 1969-73 average.

Additional timber harvested includes 5,719,000 board feet of sawtimber and 14,809 cords of pulpwood under reforestation contracts.

MARKET SUMMARY, THIRD QUARTER 1975

Stumpage prices paid for pine sawlogs advanced almost $6.00 per thousand board feet, or better than 7 percent, from the second quarter average. The state average for the third quarter was $85.45 per thousand. Hardwood prices averaged about unchanged to slightly lower compared with the previous quarter's averages.

The state price paid for poles was higher for all classes of fifty-fives and above due mainly to higher averages in area 3. Shorter poles showed no significant price change from second quarter averages.

Pulpwood stumpage was priced at $6.55 and $2.85 per cord for pine and mixed hardwood respectively.

Wood Chips averaged $10.55 per ton for pine and $9.20 for hardwood, F.O.B. sawmill.

During the July-September quarter, the following U.S.D.A. Forest Service Sales for Kisatchie National Forest were reported:

	SAWLOGS		PULPWOOD	
Specie	MBF 1/	Ave. Price Dollars/MBF	Cords	Ave. Price Dollars/Cord
Syp	17,736	81.83	22,648	5.92
Mx. Hdwd.	305	34.15	1,300	2.30

Note: Salvaged sales are excluded in above data.

Area 1
Area 2
Area 3
Area 4
Area 5

VERAGE PRICES PAID TO LOUISIANA TIMBER PRODUCERS BY TYPES OF INDUSTRIES, JULY-SEPTEMBER, 1975
WITH COMPARISONS

Forest Service Sales are excluded from following reported prices

		Area 1 (Dollars)	Area 2 (Dollars)	Area 3 (Dollars)	Area 4 (Dollars)	Area 5 (Dollars)	STATE AVERAGE July-Sept. 1975 (Dollars)	STATE AVERAGE Previous Quarter (Dollars)	STATE AVERAGE Same Period Year Ago (Dollars)
(A) Sawlogs (Stumpage)									
Pine	M.Bd.Ft.	86.90	98.00	81.75	79.15	-	85.45	79.55	88.75
Cypress	"	45.00	57.50	35.50	-	35.85	43.05	41.95	44.30
Oaks	"	30.60	39.05	31.60	-	33.65	33.40	35.25	37.40
Gums	"	32.90	40.00	32.75	-	35.35	35.55	35.00	39.25
Willow	"	28.75	39.00	31.65	-	34.15	34.20	36.25	34.00
Ash	"	30.00	63.35	37.50	-	54.15	45.85	47.00	48.55
Cottonwood	"	28.35	42.50	-	-	35.85	36.25	39.00	37.50
Mixed Hardwoods	"	28.55	43.75	34.25	-	34.15	34.25	33.30	35.60
(B) Sawlogs (Delivered)									
Pine	M.Bd.Ft.	123.75	131.35	120.25	114.00	-	122.25	113.70	121.65
Cypress	"	82.50	95.00	85.00	-	83.35	87.00	84.20	86.45
Oaks	"	73.70	79.55	74.80	-	82.50	76.95	78.35	84.25
Gums	"	77.90	81.90	78.90	-	84.15	80.30	81.65	85.40
Willow	"	71.65	80.85	75.00	-	81.65	78.95	79.75	78.05
Ash	"	77.50	101.00	88.75	-	96.65	91.75	90.25	89.45
Cottonwood	"	83.35	86.00	-	-	82.50	83.55	82.40	81.45
Mixed Hardwoods	"	72.15	87.00	75.50	-	80.85	78.25	76.25	80.80
Poles, Barky (FOB Plant or Concentration Point) -- Each -									
30-Ft.	Class 5	9.15	1/	10.05	1/	1/	9.35	8.50	9.45
	" 6	7.60	1/	8.45	1/	1/	7.85	7.10	7.80
	" 7	5.15	1/	6.35	1/	1/	5.80	5.15	5.90
35-Ft.	Class 4	14.75	1/	15.80	1/	1/	15.05	14.15	14.90
	" 5	13.40	1/	13.30	1/	1/	13.20	12.65	12.70
	" 6	10.05	1/	10.90	1/	1/	10.35	9.60	10.25
	" 7	7.00	1/	8.45	1/	1/	7.70	7.05	7.95
40-Ft.	Class 2	24.90	1/	28.50	1/	1/	26.70	24.00	29.65
	" 3	22.55	1/	1/	1/	1/	23.60	22.05	24.80
	" 4	18.75	1/	19.95	1/	1/	19.30	18.00	20.25
	" 5	16.65	1/	17.20	1/	1/	16.90	16.10	17.10
	" 6	12.00	1/	13.20	1/	1/	12.65	11.85	13.95
45-Ft.	Class 2	31.50	1/	35.20	1/	1/	33.35	30.25	36.00
	" 3	27.45	1/	29.40	1/	1/	28.00	27.20	30.30
	" 4	22.55	1/	24.45	1/	1/	23.35	21.70	25.00
	" 5	19.70	1/	21.35	1/	1/	20.60	19.25	21.70
50-Ft.	Class 2	36.00	1/	41.15	1/	1/	38.55	34.60	40.90
	" 3	31.00	1/	34.90	1/	1/	32.80	31.20	35.50
	" 4	25.60	1/	28.30	1/	1/	26.95	25.10	30.05
55-Ft.	Class 2	42.70	1/	50.50	1/	1/	46.60	41.75	49.30
	" 3	35.80	1/	38.80	1/	1/	38.00	34.15	42.55
	" 4	1/	1/	1/	1/	1/	37.85	1/	36.30
60-Ft.	Class 2	49.35	1/	60.55	1/	1/	54.95	47.50	58.50
	" 3	42.75	1/	52.70	1/	1/	48.35	40.95	49.90
65-Ft.	Class 2	57.20	1/	69.35	1/	1/	63.25	55.20	65.80
	" 3	48.65	1/	62.40	1/	1/	56.85	46.65	58.60
70-Ft.	Class 2	65.20	1/	86.75	1/	1/	76.00	63.15	76.95
	" 3	57.15	1/	78.15	1/	1/	67.65	57.70	68.50
75-Ft.	Class 2	77.85	1/	101.25	1/	1/	89.55	79.60	88.30
	" 3	68.35	1/	83.10	1/	1/	75.55	68.45	79.15
80-Ft.	Class 2	93.00	1/	1/	1/	1/	99.20	95.85	102.65
	" 3	77.65	1/	1/	1/	1/	84.45	79.10	88.95

	Area 1 (Dollars)	Area 2 (Dollars)	Area 3 (Dollars)	Area 4 (Dollars)	Area 5 (Dollars)	STATE AVERAGE July-Sept. 1975 (Dollars)	Previous Quarter (Dollars)	Same Period Year Ago (Dollars)
3. Pulpwood, Per Cord:								
Pine, Stumpage	6.90	5.85	6.55	4.90	1/	6.55	6.45	6.05
Pine, FOB Car	30.00	1/	28.35	1/	29.35	29.15	29.15	29.25
Hardwood, Mixed Stumpage	2.75	3.20	2.85	3.00	2.65	2.85	2.80	2.75
Hardwood, Mixed FOB Car	26.45	1/	26.45	1/	25.25	26.00	26.15	25.45

' Insufficient number of quotes to report on area basis but included in Statewide average.
ote: The Doyle log scale is basis for board feet measurement.

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you sold timber this year, be sure you don't pay more Federal income tax than the law requires come from timber is usually considered a long term capital gain and is taxed at one-half your rmal rate. Plus a depletion deduction may be available to further reduce your taxes. Check th your county agent, Louisiana Forestry Commission, a consulting forester, qualified tax nsultant, the Internal Revenue Service, or the Soil Conservation District Office.

S. If you have failed to report your timber income properly in the last three years, you may still have time to file an amended tax form and seek reimbursements.

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Slump in Timber Prices, Supply May Have Bottomed Out for State

Louisiana timberland owners sold less timber for lower prices during the first six months of his year, says Dr. Alden Main, forester with the LSU Cooperative Extension Service, but the uture looks a bit brighter.

A 41 percent decline in landowner receipts was noted during the first half of 1975 as compared ith the first six months of 1974, which was a drop of $25 million, Main adds.

"This decrease could mean an overall loss of some $550 million, and if the trend continues hrough the rest of the year, the total loss for 1975 could be in excess of $1 billion," ain says.

Main notes that the problem has been one of both price and supply. Prices paid landowners or pine saw timber fell some 18 to 28 percent from the first half of 1974. Hardwood saw timber rices were down some 2 to 12 percent from a year prior. Pulpwood prices were mixed, with some reas of the state showing increases, and other areas recording a drop in prices from 1974.

The amount of wood also decreased, Main says. During the first half of 1974, Louisiana forest [illegible] million board feet [illegible] average size house ver the frist six months of 1975, harvest was down 30 percent.

Pulpwood harvests were also down during the January-June period this year. Pulpwood loggers ut about 600,000 cords less than last year's first six months. That was about 48 percent of 974 production for the same period.

Main attributes the decrease in harvest to a general slowdown in housing construction and the verall economic slump. Residential houses use half of the saw timber-size materials harvested. he pulp and paper industry is affected by this economic slowdown also.

However, future production and income should be on the upswing, Main believes. He notes that he National Association of Home Builders says, "The long-awaited housing recovery is underway. ousing starts in July were the highest monthly rate in a year."

Main notes that it may take awhile before landowners begin to see marked increases in prices, owever, because of back inventories of logs and processed wood products.

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