We are now in our fourth month of the new “normal” caused by COVID-19 and its impact on the economy. During this time, markets have remained fluid. The prices and demand for certain products can fluctuate wildly in a short period of time. Below is a general summary of the markets for standing timber in the Mid-South region since our last update in April:

- Markets will likely remain unstable as timber buyers and manufacturers grapple with the perceived future demand for their products. For this reason, most buyers will only purchase timber on a pay-as-cut basis. As stated in our earlier update, I am ok with a pay-as-cut contract if there are enough security measures in place and a reputable buyer is selected. The good news is that we have moved a significant amount of wood during this time by using this method of payment.

- Pine pulpwood markets remained open throughout most of this period. However, prices remained low and most timber buyers are only interested in clear-cuts. This makes pine thinning unlikely unless it is combined with nearby clear-cuts. Mills are now beginning to enact quotas on the amount of wood they receive due to the slightly drier weather and increased volume of gate wood they have received.

- At the beginning of the pandemic, most pine sawmills either shut down or refused to take on new contracts for the purchase of standing timber. However, they re-opened and are now accepting wood as they have gained some clarity on pine lumber markets. While prices are not great for this product, they are higher than this time last year for most areas.

- Hardwood pulpwood markets had been trending down from their all-time high in the winter of 2019 even before the pandemic struck. Some mills remained closed for months and have just recently began to accept wood again. Prices are significantly lower than they were last year, and restrictive quotas are just now beginning to ease.

- Many loggers/buyers had switched over to harvesting pine due to the shutdown of the hardwood pulpwood market. Pine mills have begun initiating restrictive quotas
as a response to the increased volume of wood. Hopefully, the reopening of the hardwood pulpwood markets, and the usual fall buildup of inventory will help alleviate some of these quotas.

- The demand for crossties had ground to a halt at the beginning of the quarantine. However, quotas have been lifted and prices have rebounded after the economy re-opened.

- Most grade hardwood is moving again. Many hardwood sawmills continued to saw lumber and store it in warehouses during the most pessimistic outlooks of the past few months. I can only assume they have been able to move their inventory as they are back to buying standing timber and paying good prices for most forms of hardwood sawtimber. The price for grade white oak is outstanding, grade red oak has seen a slight increase in price, poplar has fallen off some, but most hardwood sawtimber remains relatively strong compared to their historical price average.

The decision on when to sell timber is a complicated one. The landowner’s objectives and plans; the condition of the existing timber; the harvesting conditions present; and the current/future markets all play a part in that decision. In these uncertain times, it is more important than ever to work with a professional forester that is familiar with the markets in your area and has the experience necessary to assist you with your decision.