

TIMELY INFORMATION

Agriculture & Natural Resources

August 2007

Alabama's 2006 Harvest of Forest Products*

Alabama's forest industry harvested and delivered almost \$1.7 billion in forest products in 2006, which included products delivered to pulp mills, saw mills, and other processors. Of that \$1.7 billion, forest landowners in Alabama received an estimated \$953 million for their standing timber. The remaining \$745 million was earned by the timber harvesting and transportation segment. Forest products in Alabama have consistently been the second most valuable commodity in the state since 2000. Most recent cash receipt reports show that forest products were second only to poultry, valued at \$2.4 billion, in 2005. By comparison, total cash receipts in 2005 for cattle and calves were valued at almost \$463 million, and all row crops combined were \$722 million. Table 1 illustrates the estimated value of Alabama's timber harvest by product.

Calendar year severance tax receipts from timber harvests in 2006 were approximately \$5.4 million. This was a 1.7% decrease from \$5.5 million collected in 2005. The majority of this revenue is used to provide forestry protection, landowner assistance, and outreach programs that benefit Alabama's forests and serve forest landowners.

Pine pulpwood comprised the majority (43%) of timber volume harvested in Alabama in 2006. Pine sawtimber volume removed made up 26% of all timber harvests. Thirty percent of the state's timber harvest was in hardwood pulpwood (23%) and hardwood sawtimber (7%). The remaining 1% of volume was poles and pilings.

In 2006, average stumpage prices were lower for all products, but timber volume removed was higher than in the prior year. Timber prices are currently in a period of slight decline Southwide. Increased energy costs and declining housing market were major contributing factors to lower timber prices. Drier than normal weather conditions contributed to increased harvest.

Sawtimber prices in Alabama were down approximately 9%, but volume removals for pine and hardwood sawtimber increased 25.9% and 20.3% over 2005 respectively. Pine pulpwood prices decreased approximately 12% in 2006, but volumes removed increased by 25.3%. Hardwood pulpwood prices decreased almost 24% from the prior year, yet removals increased by 38.1%.

Like other investments, timber prices cycle in response to market changes. As the forest products industry adjusts to changes in the economic climate, Alabama's timber industry will continue to change with it. With prudent management, Alabama's forests will grow and flourish, and the use of products they provide will persist in both traditional and emerging markets.

For more information on timber prices and marketing contact your County Extension Office, or Auburn University College of Forestry and Wildlife Sciences, 3301 Forestry and Wildlife Sciences Building, Auburn, AL 36849. Websites: www.sfws.auburn.edu/ or www.aces.edu/forestry/

Table 1. Alabama's 2006 timber harvest value estimated by product.**

Product	Unit	Volume	Value \$	
			Standing	Delivered
Pine Sawlogs	MBF, S ¹	1,932,885	649,449,352	843,704,292
Hardwood Sawlogs	MBF, D ²	324,077	68,218,201	101,436,090
Pine Pulpwood	Cords	7,112,151	128,481,008	454,893,178
Hardwood Pulpwood	Cords	3,874,719	75,266,417	259,354,316
Poles and Pilings	MBF, D	59,760	32,150,880	39,381,840
Total Value			953,565,857	1,698,769,715

¹Thousand Board Feet, Scribner Log Rule

²Thousand Board Feet, Doyle Log Rule

* Prepared by Dr. Becky Barlow (Extension Forester/Assistant Professor, School of Forestry and Wildlife Sciences) Auburn University, AL 36849

** Data source: Alabama Forestry Commission, 513 Madison Avenue, Montgomery, AL 36104