

## Pine sawtimber and pulpwood prices continued to improve in Eastern North Carolina

*By Rajan Parajuli, Assistant Professor of Forest Economics, NC State University*

After reaching an 11-year high in the last month, U.S. housing starts plunged in June 2018. Privately-owned housing starts in June were at a seasonally adjusted annual rate of 1.17 million units, 12.3% lower than the May estimate and 4.2% below the rate of a year ago. Compared to May 2018, single-family housing starts were down 9.1%, and multi-family starts dropped 19.8% in June 2018.

In the second quarter of 2018, south-wide average stumpage prices followed the downward trend of the U.S. residential construction. South-wide average stumpage prices were down quarter-over-quarter for all pine and hardwood timber products. Dropping stumpage prices in the second quarter is a recent seasonal tendency in the timber markets. On the other hand, both Southern pine and hardwood lumber prices were up in this quarter. The price of Southern pine lumber was \$557 per thousand board feet, up 16% from last quarter.

Pine sawtimber and pulpwood prices continued to climb up in Eastern North Carolina, in contrast to both downward trends in housing starts and south-wide average timber prices. According to TimberMart-South, the average pine sawtimber price was \$28.07 per ton, up slightly from last quarter and up 3.5% from the price a year ago. The pine pulpwood price in Eastern North Carolina averaged \$14.78 per ton, the second best pulpwood price in the U.S. South, just behind the Eastern Florida pulpwood price. The hardwood sawtimber price also increased slightly to the state-wide average of \$24.6 per ton. Both pine Chip-N-Saw and hardwood pulpwood prices in North Carolina, however, dropped in this quarter. For more information on the 2018 second quarter stumpage prices in North Carolina, please visit: <https://forestry.ces.ncsu.edu/forestry-price-data/>.

